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LEGISLATIVE HISTORY

Public Law 792--80th Congress

Chapter 678--2d Session

H. R. 6556

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TRADE AGREEMENTS EXTENSION ACT OF 1948. Extends the Trade Agreements Act until June 30, 1949; requires the President to obtain recommendations from the Tariff Commission before changing tariffs and to report to Congress when such recommendations are exceeded; and requires the Tariff Commission to make its recommendations within 120 days after receiving a request and to take into account the possibility of "serious injury to domestic industry" in recommending tariff cuts.

INDEX AND SUMMARY OF HISTORY ON H. R. 6556

May 3, 1948 Hearings: House. Trade Agreements Program.

May 13, 1948 H. R. 6556 was introduced by Rep. Gearhart and was referred to the House Committee on Ways and Means. Print of the bill as introduced.

May 24, 1948 House Committee reported H. R. 6556 without amendment. House Report 2009. Print of the bill as reported.

 House Rules Committee reported H. Res. 608 for the consideration of H. R. 6556. House Report 2024. Print of the Resolution.

May 26, 1948 H. R. 6556 was debated and passed the House as reported.

May 27, 1948 H. R. 6556 was referred to the Senate Committee on Finance. Print of the bill as referred.

June 1, 1948 Hearings: Senate, H. R. 6556.

June 8, 1948 Senate Committee reported H. R. 6556 with an amendment. Senate Report 1558. Print of the bill as reported.

June 12, 1948 Senate agreed to vote on H. R. 6556 on June 14.

June 14, 1948 Senate debated and passed H. R. 6556 with amendments.

 Senate Conferees appointed.

June 15, 1948 House Concurred in the Senate amendment.

June 26, 1948 Approved. Public Law 792.

80TH CONGRESS
2D SESSION

H. R. 6556

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 1948

Mr. GEARHART introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the period during which the President is authorized
4 to enter into foreign-trade agreements under section 350 of
5 the Tariff Act of 1930, as amended (U. S. C., 1946 edition,
6 title 19, sec. 1351), is hereby extended until the close of
7 June 30, 1949.

8 SEC. 2. Before entering into negotiations concerning
9 any proposed foreign-trade agreement authorized by section
10 350 of the Tariff Act of 1930, as amended, the President
11 shall furnish the United States Tariff Commission (herein-

1 after in this Act referred to as the "Commission") with a
2 list of all articles imported into the United States to be con-
3 sidered for the possible granting of concessions in the agree-
4 ment and shall request the Commission to make an investi-
5 gation and to report to him the findings of the Commission
6 as to—

7 (1) the extent to which duties and other import
8 restrictions on the articles included in the list may be
9 modified; or

10 (2) the extent to which additional import restric-
11 tions on the articles included in the list may be im-
12 posed; or

13 (3) the maximum periods (if any) for which
14 obligations may be undertaken to continue existing
15 customs or excise treatment of articles included in the
16 list,

17 in order to carry out the purpose of such section 350 without
18 causing or threatening serious injury to domestic producers
19 of like or similar articles or impairing the national defense.
20 No such foreign trade agreement shall be entered into until
21 the Commission has made its report to the President.

22 SEC. 3. (a) The Commission shall furnish facts, statis-
23 tics, and other information at its command to officers and
24 employees of the United States preparing for or participating
25 in the negotiation of any foreign trade agreement; but

1 neither the Commission nor any member, officer, or employee
2 of the Commission shall participate in any manner (except
3 to furnish information) in the making of decisions with
4 respect to proposed terms of any foreign trade agreement
5 or in the negotiation of any such agreement.

6 (b) In the course of any investigation pursuant to a
7 request of the President under subsection (a) of this section
8 the Commission shall hold hearings and give reasonable
9 public notice thereof, and shall afford reasonable opportunity
10 for parties interested to be present, to produce evidence, and
11 to be heard at such hearings.

12 (c) Section 4 of the Act entitled "An Act to amend
13 the Tariff Act of 1930", approved June 12, 1934, as
14 amended (U. S. C., 1946 edition, title 19, sec. 1354), is
15 hereby amended by striking out "the United States Tariff
16 Commission," by striking out "War, Navy," and by in-
17 serting "the National Military Establishment," after "com-
18 merce,".

19 SEC. 4. (a) If the President enters into any foreign
20 trade agreement with any foreign government or instrumen-
21 tality thereof under section 350 of the Tariff Act of 1930, as
22 amended, which requires, or pursuant to which it would
23 be appropriate for, him to make a proclamation modifying
24 any existing duty or other import restriction or imposing any
25 additional import restriction to an extent greater than that

1 reported to him by the Commission pursuant to section 2,
2 or continuing existing customs or excise treatment of articles
3 beyond the time specified by the Commission in its report to
4 him pursuant to section 2—

5 (1) the President shall transmit such agreement
6 (bearing an identifying number) to the Congress, to-
7 gether with a message which shall include his views with
8 respect to the provisions of such agreement which re-
9 quire, or pursuant to which it would be appropriate for,
10 him to make such a proclamation. The delivery to both
11 Houses shall be on the same day and shall be made to
12 each House while it is in session;

13 (2) the Commission shall deposit with the Com-
14 mittee on Ways and Means of the House of Representa-
15 tives, and the Committee on Finance of the Senate, a
16 copy of its report to the President with respect to such
17 foreign trade agreement;

18 (3) such foreign trade agreement shall not take
19 effect before the expiration of the first period of sixty
20 calendar days, of continuous session of the Congress,
21 following the date on which the foreign trade agreement
22 is transmitted to it; and such foreign trade agreement
23 shall thereafter take effect only if, between the date of
24 transmittal and the expiration of such sixty-day period

1 there has not been passed by the two Houses a concur-
2 rent resolution stating in substance that the Congress
3 does not favor the foreign trade agreement.

4 (b) For the purposes of subsection (a) (3)—

5 (1) continuity of session shall be considered as
6 broken only by an adjournment of the Congress sine die;
7 but

8 (2) in the computation of the sixty-day period
9 there shall be excluded the days on which either House
10 is not in session because of an adjournment of more
11 than three days to a day certain; except that if a resolu-
12 tion (as defined in section 202) with respect to such
13 foreign trade agreement has been passed by one House
14 and sent to the other, no exclusion under this paragraph
15 shall be made by reason of adjournments of the first
16 House taken thereafter.

17 SEC. 5. (a) The second sentence of section 350 (a)
18 (2) of the Tariff Act of 1930, as amended, is hereby
19 amended to read as follows: "No proclamation shall be
20 made (A) decreasing by more than 50 per centum any rate
21 of duty, however established, existing on January 1, 1945
22 (even though temporarily suspended by Act of Congress);
23 (B) increasing by more than 50 per centum any rate of
24 duty, however established, existing on June 12, 1934 (even

1 though temporarily suspended by Act of Congress), or
2 (C) transferring any article between the dutiable and free
3 lists.”

4 (b) The proviso of subsection (b) of such section is
5 hereby amended to read as follows: “*Provided*, That the
6 duties on such an article shall in no case (1) be decreased
7 by more than 50 per centum of the duties, however estab-
8 lished, existing on January 1, 1945 (even though tem-
9 porarily suspended by Act of Congress), or (2) be increased
10 by more than 50 per centum of the duties, however estab-
11 lished, existing on June 12, 1934 (even though temporarily
12 suspended by Act of Congress) ”.

13 (c) Subsection (d) of such section is hereby amended
14 by striking out “increased or” and by striking out “increase
15 or”.

16 SEC. 6. Title II of the Reorganization Act of 1945
17 (Public Law 263, Seventy-ninth Congress) shall apply with
18 respect to concurrent resolutions expressing disapproval of
19 foreign trade agreements transmitted to the Congress by the
20 President pursuant to section 4 of this Act in the same man-
21 ner and to the same extent as such title applies with respect
22 to concurrent resolutions expressing disapproval of reorgan-

1 ization plans transmitted to the Congress by the President;
2 but references in such title to “reorganization plan” or “plan”
3 shall, for the purpose of this section, be considered to refer
4 to “foreign trade agreement” or “agreement”, respectively.

A BILL

To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

By Mr. GEARHART

MAY 13, 1948

Referred to the Committee on Ways and Means

EXTENDING THE AUTHORITY OF THE PRESIDENT UNDER SECTION 350 OF THE TARIFF ACT OF 1930, AS AMENDED, AND FOR OTHER PURPOSES

MAY 24, 1948.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. GEARHART, from the Committee on Ways and Means, submitted
the following

R E P O R T

[To accompany H. R. 6556]

The Committee on Ways and Means, to whom was referred the bill (H. R. 6556) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The tariff policy of the United States should be one which promotes the maximum of beneficial foreign trade. Essential factors in the consideration of methods which will help in the realization of that goal are national defense and domestic security. The Ways and Means Committee, after a long and careful study of the subject of tariffs and foreign trade, is convinced that the interests of this country and of the world would be best served by the adoption of H. R. 6556.

The bill recommended by the committee is the first step in more than 14 years toward a scientific adjustment of trade regulations consistent with the goal of maximum beneficial world trade. Its adoption will continue until June 30, 1949, the authority of the President to negotiate and enter into trade agreements with other countries. The Tariff Commission, as a bipartisan, independent agency, is directed to make factual studies and determinations concerning the extent to which tariffs can be raised or lowered in any such agreement without endangering the national security or consequential injury to our domestic economy.

The following is a comparison of the present procedure in the negotiation of an agreement with that under the proposed legislation:

OPERATION UNDER PRESENT METHOD	OPERATION UNDER PROPOSED METHOD
1. State Department announces intention to negotiate an agreement and the items to be considered.	1. No change.
2. CRI, established by Executive order, composed of representatives of interested executive departments, announces hearings.	2. President transmits list of items to Tariff Commission and directs that agency to make a study of each item. Tariff Commission announces hearings.
3. Hearings before CRI.	3. Hearings before the Tariff Commission.
4. Trade agreements (interdepartmental). Committee formed by Executive order considers evidence, item by item, and reports to the President.	4. Tariff Commission considers evidence and transmits report of findings to the President. No Tariff Commission members to be on Trade Agreements Committee but Commission required to cooperate fully throughout negotiations.
5. President approves or modifies Trade Agreements Committee recommendations.	5. President approves or modifies Tariff Commission recommendations.
6. Negotiations by State Department.	6. No change.
7. Agreement signed.	7. No change.
8. President proclaims new rates.	8. If the rates in the tentative agreement fall within the competitive area found by the Tariff Commission, the President may immediately proclaim them. If the Tariff Commission report is not followed, then the President may not proclaim the new rates until Congress has had opportunity, within 60 days, to object by concurrent resolution.

This new administrative machinery provides needed safeguards for the protection of domestic industry, agriculture, and labor. It improves the administrative machinery for the determination of articles on which concessions in our tariff may be made with safety.

It delegates to the Tariff Commission, a bipartisan group of tariff experts, the responsibility for making recommendations on an economic basis concerning proper rates of duty and delegates to our President and the State Department the diplomatic function of negotiating agreements with other nations.

It is the purpose of this committee in instituting these improvements to give all possible aid and impetus to the efforts of this country to promote world peace and economic advancement. The committee feels that legislation of this type is very timely and advisable. In 1949 the charter for an International Trade Organization will be considered by Congress. If adopted, this charter will require permanent legislation on the subject of our trade with other nations. The Trade Agreements Act must be considered in relation to such legislation. Various proposals for international customs unions and hemispheric cooperation will be other related questions which Congress will consider next year.

The President is authorized, under the bill, to negotiate agreements with other nations and modify existing duties to an extent greater than that recommended by the Tariff Commission. Such agreements shall, however, become effective only when they have been submitted to the Congress and the Congress has not disapproved of the same within 60 days.

The committee strongly urges that the bill do pass.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TARIFF ACT OF 1930, AS AMENDED

PART III—PROMOTION OF FOREIGN TRADE

SEC. 350 (a) * * *.

(1) * * *.

(2) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder. **[No proclamation shall be made increasing or decreasing by more than 50 per centum any existing rate of duty or transferring any article between the dutiable and free lists.]** *No proclamation shall be made (A) decreasing by more than 50 per centum any rate of duty, however established, existing on January 1, 1945 (even though temporarily suspended by Act of Congress), (B) increasing by more than 50 per centum any rate of duty, however established, existing on June 12, 1934 (even though temporarily suspended by Act of Congress), or (C) transferring any article between the dutiable and free lists.* The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly, or indirectly: *Provided*, That the President may suspend the application to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts including the operation of international cartels or policies which in his opinion tend to defeat the purposes set forth in this section; and the proclaimed duties and other import restrictions shall be in effect from and after such time as is specified in the proclamation. The President may at any time terminate any such proclamation in whole or in part.

(b) Nothing in this section shall be construed to prevent the application, with respect to rates of duty established under this section pursuant to agreements with countries other than Cuba, of the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on December 11, 1902, or to preclude giving effect to an exclusive agreement with Cuba concluded under this section modifying the existing preferential customs treatment of any article the growth, produce, or manufacture of Cuba: **[Provided**, That the duties payable on such an article shall in no case be increased or decreased by more than 50 per centum of the duties now payable thereon.] *Provided*, That the duties on such an article shall in no case (1) be decreased by more than 50 per centum of the duties, however established, existing on January 1, 1945 (even though temporarily suspended by Act of Congress), or (2) be increased by more than 50 per centum of the duties, however established, existing on June 12, 1934 (even though temporarily suspended by Act of Congress).

(e) * * *.

(d) (1) When any rate of duty has been **[increased or]** decreased for the duration of war or an emergency, by agreement or otherwise, any further **[increase or]** decrease shall be computed upon the basis of the post-war or post-emergency rate carried in such agreement or otherwise.

(2) Where under a foreign trade agreement the United States has reserved the unqualified right to withdraw or modify, after the termination of war or an emergency, a rate on a specific commodity, the rate on such commodity to be considered as "existing on January 1, 1945" for the purpose of this section shall be the rate which would have existed if the agreement had not been entered into.

"(3) No proclamation shall be made pursuant to this section for the purpose of carrying out any foreign-trade agreement the proclamation with respect to which has been terminated in whole by the President prior to the date this subsection is enacted."

SEC. 2. * * *.

SEC. 3. * * *.

4 EXTEND AUTHORITY OF THE PRESIDENT UNDER TARIFF ACT

SEC. 4. Before any foreign-trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this Act, reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the President may prescribe; and before concluding such agreement the President shall seek information and advice with respect thereto from [the United States Tariff Commission,] the Departments of State, [War, Navy,] Agriculture, and Commerce, *the National Military Establishment*, and from such other sources as he may deem appropriate.

VIEWS OF THE MINORITY MEMBERS ON H. R. 6556

We, the undersigned minority members of the Committee on Ways and Means, submit the following views and reasons therefor to the House, with the recommendation that H. R. 6556, in its present form, be rejected:

1. Enactment of H. R. 6556 would kill the reciprocal-trade-agreements program as a major instrument of foreign policy by prescribing preliminary procedures involving interminable delays before the President could negotiate a reciprocal-trade agreement.

2. The determination of minimum tariff rates would be vested in the Tariff Commission, which would be required to consider only the interest of domestic producers, without regard for, and representation of, the broad interests of American industry, labor, farmers, and consumers, and American financial and foreign policy.

3. H. R. 6556 would make possible the imposition of tariff rates 50 percent higher than the rates of the Hawley-Smoot Tariff Act of 1930, which resulted in the stagnation of trade and commerce.

4. The foregoing limitations make extension of the Trade Agreements Act for 1 year practically a meaningless gesture.

5. Failure to extend the Reciprocal Trade Agreements Act in substantially its present form for a 3-year period would be a shattering blow to our leadership in the international economic field.

INTRODUCTION

For the fifth time the Congress is considering extension of the Trade Agreements Act. On each past occasion the Congress has made exhaustive and detailed examination of every aspect of the act itself and of the operation and results of the trade-agreements program carried on under its authority. Thousands of pages of testimony have been taken in open hearings. Each time the Congress has found that the program had been soundly administered and that its results were beneficial to the economy of the United States and of other countries as well.

As late as 1947, furthermore, the Committee on Ways and Means held some 7 weeks of hearings and took 1,731 pages of testimony on the operation of the Trade Agreements Act and the proposed International Trade Organization. Convincing evidence was again presented to show that the program is highly valuable to the United States.

A subcommittee of the Committee on Ways and Means held closed hearings on the extension of the Trade Agreements Act from May 3 to May 8, 1948. The minority members of the subcommittee strongly objected to holding the hearings behind closed doors but cooperated fully in expediting the hearings. The subcommittee was not formally considering any particular bill for the extension of the act, although a number of witnesses referred to the Doughton bill (H. J. Res. 335), which calls for a straight 3-year extension of the act. Since the

hearings closed, however, the subcommittee has reported out H. R. 6556, a bill which would extend the Trade Agreements Act by only 1 year instead of 3 and which contains amendments to the present law which would sabotage the trade-agreements program.

THE PRESIDENT'S MESSAGE

On March 1, 1948, the President, in a message to Congress, requested a 3-year extension without crippling amendments and gave, succinctly, the reasons for such extension. That message follows:

To the Congress of the United States:

I recommend that the Congress extend, the Reciprocal Trade Agreements Act in its present form for 3 years, until June 12, 1951. This act authorizes the President, under well-defined procedures and limitations, to conclude agreements with other countries for the reciprocal reduction of tariffs and other obstacles to international trade.

For 14 years the Reciprocal Trade Agreements Act has been an essential element of United States foreign policy. It was first enacted in 1934 and has been extended by the Congress four times, on each occasion after thorough study of its operation and results. It was well known to the American people and has drawn their constant and increasing support, regardless of party affiliation.

The basic reason for this constant popular support and repeated congressional approval is that the act has provided a sound method for increasing world trade through progressive lowering of trade barriers, to the benefit of living standards both here and abroad.

The importance of the act is greater today than it has ever been. Together with other nations, we are engaged in a mighty endeavor to build a prosperous and peaceful world. The financial assistance we have already contributed, and the further aid we shall give to nations in Europe and elsewhere, constitute a tremendous investment toward world economic reovery. The Reciprocal Trade Agreements Act, by stimulating an increasing flow of trade between nations, will contribute strongly to the achievement of this objective. Its extension is essential if we are to complete the work we have begun.

The trade-agreements program contributes not only to the restoration of a prosperous world economy, it also contributes directly to the welfare and prosperity of the people of the United States. Our people need to import many commodities from abroad; we need equally to export many of our products. Both needs are served by agreements which reduce or eliminate obstacles to commerce between the United States and other countries.

These agreements recognize the fundamental fact that trade is a two-way business and that our foreign commerce depends upon a balanced relationship between imports and exports. Foreign countries must be able to sell to us if they are to have the dollars to pay for our exports and to repay our loans. Adequate markets for our agricultural and industrial producers depend upon the lowering of trade barriers by other countries. Imports of goods needed in this country improve the standard of living of our people as consumers at the same time that they make possible the maintenance of markets for our people as producers.

Currently, we are exporting far more than we are importing. But this is a temporary condition made necessary by considerations of overriding importance. The trade-agreements program is a sound method for achieving a more balanced relationship in the future within the broader framework of the expanding world trade so necessary to economic reconstruction.

In addition, by contributing to the lowering of trade barriers, the United States can support the expansion of private trading as distinct from Government trading. The existence of trade restrictions is too often accompanied by Government participation in trading operations, extending even to trading by Government agencies. The preservation of our private-enterprise system at home is closely bound up with the reduction of trade restrictions and the encouragement of private international trade.

The Reciprocal Trade Agreements Act is a proven instrument for achieving these objectives. Prior to 1945 the United States had concluded agreements with 29 countries, affecting about one-half of our foreign commerce. These agreements helped greatly to reduce trade barriers and to stimulate the foreign commerce of the United States and the other countries concerned.

Since 1945 we have continued our efforts to reduce the strains imposed upon the world economy by narrow concepts of economic nationalism. Last summer at Geneva the United States and 22 other countries concluded the most important and comprehensive trade agreement in history. By this agreement these 23 nations agreed to reduce their tariffs, or to maintain low tariffs or none at all, on a wide variety of products. The products affected accounted in 1938 for over half the world's international trade. In addition, the Geneva agreement included commitments to curb the use of other trade restrictions, such as import quotas and preferential treatment of imports from one country as against those from another.

This agreement is a landmark in international economic relations. Never before have so many nations combined in such an intensive effort to reduce barriers to trade. While it will be some time before the benefits of the agreement can be fully felt, it is clear that it will make a substantial contribution to the expansion of world trade and to the recovery of the world economy.

We expect that many other countries will wish to join the Geneva agreement. The continuance of the Reciprocal Trade Agreements Act is necessary to enable the United States to play its part in extending this reduction of trade barriers to these other countries. Furthermore, we shall need the authority of the act to make appropriate revisions in the Geneva agreement as they are made necessary by changing world conditions.

The trade-agreements authority will also be needed to enable us, in concert with other nations, to carry out the International Trade Organization charter, now being completed at Habana. The United States has actively sponsored the creation of this Organization to encourage the conduct of trade between nations on fair and liberal principles and to provide a forum where nations can consult on points of economic difference and on cooperative measures to solve common economic problems. The proposed charter, which will be presented to the Congress at a later date, includes as one of its cardinal points the undertaking that all member countries will stand ready to negotiate for the reduction of tariffs and other trade barriers on a reciprocal and mutually advantageous basis. The extension of the Reciprocal Trade Agreements Act will enable us to carry out this undertaking.

For all these reasons I am convinced that we should continue the Reciprocal Trade Agreements Act. The positive benefits to world trade, to United States export industries and agriculture, and to our domestic consumers are beyond question. Furthermore, we need have no fear of serious harm to any domestic producer. An expanding foreign trade promotes the most efficient use of our productive resources and contributes to the growing prosperity of the whole Nation.

In addition, the interests of domestic producers are carefully protected in the negotiation of each trade agreement. I assured the Congress, when the Reciprocal Trade Agreements Act was last extended in 1945, that domestic producers would be safeguarded in the process of expanding trade. That commitment has been kept. It will continue to be kept. The practice will be continued of holding extensive public hearings to obtain the view of all interested persons before negotiations are even begun. The practice will be continued whereby each agreement before its conclusion will be carefully studied by the Departments of State, Treasury, Agriculture, Commerce, and Labor; the National Military Establishment; and the United States Tariff Commission. Finally, each agreement will continue to include a clause which will permit withdrawal or modification of concessions if, as a result of unforeseen developments and of the concessions, imports increase to such an extent as to cause or threaten serious injury to domestic producers.

The Reciprocal Trade Agreements Act is a tested and practical means, which has wide bipartisan support, for achieving the benefits of expanding world commerce for the United States and for other countries. It is a continuing evidence of the determination of the United States to contribute its full share to the reconstruction of a sound and growing world economy as the basis for enduring peace. As such, I strongly recommend that the act be extended for an additional 3 years.

HARRY S. TRUMAN.

THE MAJORITY BILL

The bill proposed by the majority is a sham and typical protectionist device.

It is exactly what you would expect from its sponsors who have always been opposed to the principle of the trade-agreements program.

It clearly shows that they lack the courage to attack the program directly. Instead they present a bill which appears to permit the program to continue but actually sets up such conditions as to make it practically unworkable.

In the first place the bill extends the authority only to the close of June 30, 1949. It is essential that longer than a year be provided in order effectively to plan and to negotiate agreements. All past renewals of the Trade Agreements Act have, with one exception, been for 3 years.

In addition the bill provides that after the preparation of the usual published list of import products to be considered for the possible granting of concessions in the agreement, and before entering into such agreement, the Tariff Commission shall report to the President with regard to such products—

(1) the extent to which duties and other import restrictions may be modified; or

(2) the extent to which additional import restrictions may be imposed; or

(3) the maximum periods (if any) for which obligations may be undertaken to continue existing customs or excise treatment—without causing or threatening serious injury to domestic producers or impairing the national defense. Such a report would take months to prepare. It would be wasted effort in those cases where the President decided not to change the duty to the full extent determined by the Tariff Commission. It imputes a degree of certainty which is not present in tariff making and would be a waste of the taxpayers' money at a time when cries are daily raised for economy in governmental expenditures.

The determinations called for in such a report are not necessary for every product. In fact, the record shows that no industry has needed such a report in order to be protected from injury. Moreover, if despite the great care with which concessions have been made under the present method injury should threaten or result, all recent and new agreements provide for modification or withdrawal of the concession.

This one feature of the bill is alone sufficient to practically guarantee nonaction, because merely by failure to arrive at agreed determinations the Tariff Commission could prevent the negotiation of even a single agreement during the year. Even assuming the best intentions, agreement could not quickly be reached by the three Republican and three Democratic members.

The Commission apparently would be required to analyze all the available facts and to arrive at judgments based on such facts and on assumptions regarding such imponderables as the rate of rehabilitation in war-torn countries, the course of price levels in the United States and foreign countries, and the movements of foreign exchange rates. The obviously wide area for differences of opinion precludes the establishment of any formula for quickly resolving conflicting views, so that extended delay is almost certain on the controversial items in any proposed list for trade-agreement negotiation. Moreover, it is doubtful whether the Tariff Commission at present has a sufficiently large number of qualified personnel to undertake the responsibilities under the bill. The Chairman of the Commission in a letter dated May 17, 1948, in response to an inquiry from the ranking minority member of

the Committee on Ways and Means, expressed the following personal views on the question:

The Commission's staff is highly qualified for the type of work in question, but at present totals only about 220. This staff is not adequate even for the present duties of the Commission. Should H. R. 6556 become law and should trade-agreement negotiations become active, additional staff would be required to meet the new responsibilities entailed by the act. How large an increase in staff would be needed would depend upon the interpretation given to section 2 of the bill. This section requires the Commission to make an investigation and report to the President regarding the concessions which may be made, without injury to domestic producers, on each of the articles which are listed for inclusion in the negotiations. It would be one thing if "investigation" by the Commission were to be limited, as it has been in connection with most articles covered by the trade agreements so far made, to assembling and analyzing the readily available information on the various articles. It would be quite another thing if section 2 should be construed to require special investigations with respect to all, or most, of the articles included in the negotiations. Of course, an interpretation intermediate between these two extremes might be adopted, whereby such special investigations could be confined to a limited number of commodities as to which particularly difficult problems were present.

By the term "readily available information," I mean information already in the possession of the Commission, whether or not previously published, and such additional information as can readily be obtained from other Government agencies or from private sources, without special investigation. By "special investigation" I mean an inquiry of the type which involves field work or questionnaires, or both. I have in mind investigations of such scope as those the Commission conducts under section 22 of the Agricultural Adjustment Act and as those which the Commission will make in cases arising under the "escape clause" in trade agreements.

Moreover, the annual report of the United States Tariff Commission for 1947 states:

A larger staff is essential if the Commission is to continue to fulfill adequately and promptly the duties already laid upon it by existing law.

Yet the bill would increase tremendously the responsibilities of the Tariff Commission without consideration of the personnel deficiencies in the size of the present staff.

The bill provides that the President shall submit to Congress for its veto any agreement which would involve any tariff action exceeding that recommended in the Tariff Commission report. This in effect places the determination of tariff concessions in the hands of a single agency, the Tariff Commission.

The full weight of all the pressures of special interests would concentrate on the Tariff Commission. It is questionable whether the best interest of the country would be served by subjecting a single agency to the concentrated pressures which tariff lobbyists can exert.

The President would be put in an improper position in the event that he found it in the public interest to exceed the limits set by the Tariff Commission. Tariff Commissioners are Presidential appointees. To submit to Congress disagreements between the President and the Tariff Commission would be incompatible with efficient administration.

Under the bill no member of the Tariff Commission or of its staff could participate in the recommendations to the President or in the negotiation of an agreement. This is a complete waste of talents and abilities. It deprives the President of the assistance of trusted and competent officers in negotiating the best bargain for the United States. It places a high wall around the Tariff Commission so far as the remainder of the agencies participating in the trade-agreements

program is concerned. In the give and take of discussion on any tariff concession under the procedure of the past 14 years, the contribution of the Tariff Commission has been invaluable. This would be lost under the present bill.

Of even more serious nature is the fact that other governmental agencies with responsibilities with regard to the effect of tariffs on domestic industry and national security are subordinated to the Tariff Commission. The Tariff Commission's judgment should not prevail over that of the Department of Agriculture in the field of agriculture. The Tariff Commission is not qualified to make determinations regarding the national defense.

The requirement in the bill that the Tariff Commission hold public hearings either would result in duplication of effort or would deprive other Government departments of the benefits of such hearings. The other departments would be unable to question the witnesses and thus be unable to obtain in many instances, if past experience is any guide, a completely clear understanding of the problem. Furthermore, such hearings would not yield information on United States export products or other matters relating to the agreement. Either a separate hearing, which would be confusing, would be necessary or a segment of the American economy would have no opportunity to be heard. This segment is vastly larger than the one which would appear at the Tariff Commission hearing. It consists of people interested in exports; it consists of people who are interested in better international relations; it consists of consumers; it consists of a predominant part of labor; it consists of a large share of the farmers.

This in broad outline is the bill now being proposed by the majority. It means an end to the trade-agreements program as a major instrument of foreign policy. The procedure set up is extremely cumbersome and would be exceedingly difficult to implement; and to make absolutely certain that little or nothing will be done, the authority is extended for only 1 year.

Other countries will recognize the measure for what it is. They know what our policy was in the 1920's. They will see history starting to repeat. They have always been fearful that the United States has not actually grown up and is unwilling to accept the responsibilities which go with being the most powerful country in the world—both politically and economically. And those foreigners who even fabricate falsehoods about this country in order to shake the confidence of other freedom-loving people in us will not hesitate to make full use of this bill.

All the fears which have been raised by people opposed to the trade-agreements program have been fears of future injury. The present method has proved workable and has not resulted in injury. On the contrary, it has brought about reductions in trade barriers in wide areas throughout the world. The majority clearly want the program to die, but they do not have the courage to act so that everyone can clearly fix the responsibility.

THE RECORD OF THE RECIPROCAL TRADE AGREEMENT PROGRAM SINCE 1945

In 1945 the Congress not only extended the act for three full years, but also greatly strengthened the bargaining power in the hands of the President to be used in obtaining from other countries concessions of

value to American trade and American producers. The President was empowered to change United States tariff rates by not more than 50 percent of the rates in effect on January 1, 1945, instead of by 50 percent of the rates in effect in 1934 when the act was first passed. This authority to make new and additional concessions on the part of the United States has been effectively used to obtain new and additional concessions from other countries.

A. Executive order improves procedure and adds safeguards

In February 1947 the President, by Executive Order No. 9832, provided for substantial improvements in the procedure of administering the program and for new safeguards against any possible injury to the domestic economy as a result of concessions made in trade agreements. This order was issued after consultation with leaders of both parties in Congress. It provided, among other things, that every new agreement was to include an escape clause under which the United States may take prompt and, where necessary, unilateral action to modify or withdraw a particular concession, if it is found that as a result of unforeseen circumstances and as a result of the concessions, imports are entering this country in such increased quantities and under such conditions as to cause or threaten serious injury to a domestic industry. The United States Tariff Commission is charged with the making of such findings, after full investigations and public hearings, and with making recommendations to the President as to measures to be taken to prevent injury.

B. Related measures in economic foreign policy

Since 1945 the United States has embarked upon a comprehensive program of international cooperation, designed to provide the foundation for a sound development of international economic relations. The trade-agreements program is an essential part of this structure. The success of the International Bank for Reconstruction and Development and of the International Monetary Fund will depend on the recovery of international commerce. The billions of dollars' worth of goods which the United States has poured and is pouring into the relief, reconstruction, and economic development of other countries will be largely wasted unless, in the end, the peoples of those countries are able to produce abundantly and efficiently and to exchange their products on equitable terms and without excessive barriers to trade. This fact has been recognized by the 16 nations participating in the European recovery program. They have committed themselves to negotiate among themselves and with other countries for the purposes of reducing trade barriers. In the law establishing the Economic Cooperation Administration Congress wisely reiterated this same objective. The United States must be in a position to join with them in this program. Extension of the Trade Agreements Act, in a fully workable form, is essential to the completion of our task.

In 1945 the United States Government published and transmitted to other governments for discussion its proposals for expansion of world trade and employment. A preparatory committee set up by the Economic and Social Council of the United Nations met first at London and then at Geneva with the proposals and the American charter draft as basic documents for their discussions. After months of preparatory work, the United Nations Conference on Trade and Employment met at Habana beginning in November of 1947. On

March 24, 1948, agreement on the text of a charter was reached at Habana by 53 of the nations participating in the conference. The Habana charter is to be brought before the Congress for approval as it will be presented to the governments of the other countries whose delegates accepted it at Habana. A key provision of the charter is the requirement that each member nation negotiate with the other members for mutual reduction of their tariff and other trade barriers and for the elimination of discriminations in trade. The Trade Agreements Act provides the only authority under which the United States Government may be able effectively to participate in such negotiations.

These are some of the far-reaching, constructive moves which the United States has made in the field of economic foreign policy. The reciprocal trade-agreements program, for 14 years the major instrument of our economic foreign policy, is of key importance against the background of these other and related measures.

C. General agreement on tariffs and trade concluded at Geneva

Under the authority of the Trade Agreements Act representatives of the United States Government concluded at Geneva, in 1947, a reciprocal trade agreement with 22 other countries. This agreement is the most comprehensive action ever taken for the reduction of barriers to international trade. The countries participating in the negotiations account for some two-thirds of the total international commerce of the world.

(1) *Procedure before negotiation.*—In preparing for and carrying on the trade-agreement negotiations at Geneva the United States Government acted in accordance with the procedures established under the Trade Agreements Act and the Executive orders issued in connection with it. Public notice of intention to negotiate the agreement was issued on November 10, 1946. At the same time there was published a list of all United States import items on which tariff concessions would be considered during the negotiations. All interested persons had opportunity, either by submitting statements and briefs or by appearing at public hearings, to give views and information on the proposed agreement. Over 1,000 briefs and statements were received and 676 witnesses presented information and views at the public hearing which was held in January 1947. It was only after these investigations and public hearings were held that the interdepartmental Trade-Agreements Organization submitted its recommendations to the President for approval before negotiations began. The negotiations themselves opened at Geneva on April 10, 1947, and ended on October 30, 1947.

(2) *General provisions.*—The general agreement on tariffs and trade negotiated at Geneva contains general provisions corresponding largely to those in the bilateral trade agreements which the United States had previously negotiated with individual countries. These provisions safeguard and make more effective the specific tariff concessions contained in the agreements. They relate to such matters as the extension to each other of most-favored-nation tariff treatment by the contracting countries; nondiscrimination in internal taxation of domestic and imported products; commitments to refrain from imposition of unduly burdensome regulations and restrictions regarding customs administration and other matters; commitments regarding

the use of quotas, subsidies, and like measures; exceptions under which contracting parties might be relieved from some of the obligations incurred in the agreement; and other like matters.

The escape clause permitting emergency action to prevent injury to a domestic industry as a result of increased imports due to a particular concession, required by the Executive order referred to above, is one of the important general provisions of the agreement.

(3) *Wide scope of agreement.*—The specific tariff concessions provided for in the agreement cover more than 45,000 items and apply to some two-thirds of the trade of the participating countries or about one-half of the total international commerce of the world. The tariff concessions made by each country party to the agreement are applicable to the products of all of the other parties. They include complete eliminations or substantial reductions of certain tariffs and tariff preferences, the binding of certain duties at previously existing levels, and the binding of previous duty-free treatment.

(4) *Concessions obtained by the United States.*—The concessions made by other countries at Geneva cover products accounting for a substantial proportion of total United States exports to those countries and include almost all the important United States export products. The table which follows shows in summary form the value of imports from the United States into the Geneva countries, mainly in 1939, of products covered by concessions granted in the general agreement. In addition to the value of concessions shown, totaling \$1,262,061,000, possibly as much as 90–95 million dollars of trade may be covered by concessions which cannot readily be matched up with statistics of past imports.

Imports (mainly in 1939) from the United States of commodities upon which concessions were made, by listed countries

<i>Country</i>	<i>Value (thousands of United States dollars)</i>
Australia (1938/1939).....	42, 420
Belgium-Luxemburg-Netherlands Customs Union.....	115, 426
Brazil (1938).....	38, 651
Burma (1938/1939).....	1, 113
Canada.....	341, 062
Ceylon.....	933
Chile.....	16, 428
China.....	51, 941
Cuba.....	74, 933
Czechoslovakia (1937).....	25, 326
France.....	138, 761
India and Pakistan (1938/1939).....	10, 011
New Zealand.....	12, 896
Norway.....	15, 362
Southern Rhodesia.....	1, 220
Syro-Lebanese Customs Union (1938).....	2, 147
Union of South Africa.....	40, 928
United Kingdom:	
Metropolitan area.....	329, 622
Newfoundland (1938/1939).....	2, 881
Total, all countries listed.....	1, 262, 061

Source: U. S. Tariff Commission, Operation of the Trade Agreements Program, July 1934 to April 1948, pt. 1, p. 48 (preliminary draft).

The following tabulation shows the value of total dutiable and duty-free imports into the United States in 1939. It also shows the 1939 values of United States imports of products on which concessions were made at Geneva, by type of concession.

	Value	Percent of total imports
Total United States imports in 1939	\$2,247,700,000	100
Duty-free.....	1,397,000,000	61
Dutiable.....	879,000,000	39
Total imports of "concession" items	1,750,000,000	77
Bound duty-free at Geneva.....	1,131,000,000	50
Bound at previous tariff rates.....	148,000,000	6
Tariff rates reduced.....	471,000,000	21

(5) *Extent of general agreement in effect.*—The general agreement was put into effect provisionally on January 1, 1948 by Australia, the Belgium-Netherlands-Luxemburg customs union (Benelux), Canada, Cuba, France, the United Kingdom, and the United States. It went into effect on April 21, 1948, with respect to Czechoslovakia and on May 22, 1948 with respect to China. Other participating countries have until June 30, 1948, to take the necessary action to put the agreement in effect according to their own constitutions and laws.

PUBLIC SUPPORT FOR EXTENSION OF PRESENT RECIPROCAL TRADE AGREEMENTS ACT

A. *The recent hearings*

The people of the United States will recognize that the bill is designed to kill the reciprocal trade agreements program and to return to the Smoot-Hawley method of dealing with tariffs. In fact, the bill authorizes rates even up to 50 percent greater than the tariff rates of the Smoot-Hawley Tariff Act of 1930 under which trade and commerce became stagnant.

The hearings which have been held over the past 14 years, including those held in closed session during the week of May 3, 1948, are more than ample evidence of the overwhelming support for the present program. At the most recent hearing the number of witnesses appearing in favor of the program exceeded those appearing in opposition, and vastly exceeded the opposition as to number of people which they represented.

1. *Favorable witnesses.*—Secretary Marshall, Will Clayton, Williams C. Foster, Under Secretary of Commerce, and Charles Brannan, Assistant Secretary of Agriculture, appeared in person in support of the President's recommendation. In addition statements were presented by Secretary Forrestal, and Averell Harriman, former Secretary of Commerce and now Ambassador at large under ERP.

Mr. Earl O. Shreve, president of the United States Chamber of Commerce—largest business organization—testified in favor of renewal of the Trade Agreements Act in its present form. Mr. John Abbink, representing the National Foreign Trade Council, and Mr. Morris Rosenthal, representing the National Council of American Importers, similarly testified in favor of the program. Mr. H. J. Heinz II, chairman of the United States Associates of the International Chamber of

Commerce, appeared in favor of the extension. A statement of Mr. Allan B. Kline, president of the American Farm Bureau Federation, the largest farm organization, was read before the committee, by the head of the Bureau's Department of International Affairs who presented additional important supporting information in support. Mr. Russell Smith appeared for the Farmers Union. Mr. Charles P. Taft, the able son of the former President, representing the Federal Council of Churches of Christ in America, which has a membership of 27,000,000, appeared. He also made a favorable statement in his personal capacity and showed by facts and figures how past cries of expected future injury had proved to be completely unjustified. Dr. Mildred Northrop, professor of economics, Bryn Mawr College, made an able statement advocating extension of the act.

A statement by Mr. James B. Carey, secretary-treasurer of the CIO, was presented favoring the program. He informed us that 2.5 million nonfarm workers are directly or indirectly dependent for their jobs upon exports. Mr. George M. Harrison, president of the A. F. of L. Brotherhood of Railway Clerks said, in allaying the fear of foreign competition:

We know that because of America's high industrial efficiency and productivity American labor can compete to advantage with free labor anywhere in the world.

Among numerous letters, telegrams, and statements in support of the extension of the act, an illuminating statement was received from Hon. Cordell Hull, the distinguished former Secretary of State, the "Father of the modern reciprocity." That statement is as follows:

STATEMENT BY THE HONORABLE CORDELL HULL, HONORARY CHAIRMAN,
CITIZENS' COMMITTEE FOR RECIPROCAL WORLD TRADE

Fourteen years ago our Nation embarked upon a policy of international cooperation in expanding world trade as an essential foundation of our national prosperity, international political stability, and lasting world peace. That policy, embodied in the Reciprocal Trade Agreements Act of 1934, and the program that has been carried forward to give effect to the act were carefully devised and have been amply tested. The policy and the program have been reaffirmed by the Congress four times through successive renewals of the act. By the very force of their soundness and continuity, they have won the acceptance of the American people and have provided a beacon light for the free nations of the world.

Today our Nation and all nations need more than ever before to cooperate wholeheartedly in establishing, in as large an area of the world as possible, the conditions of political liberty, economic progress, and enduring peace. The attainment of these conditions of civilized life especially requires that the peoples of the world have an opportunity to trade with one another to their mutual benefit and with a minimum of stultifying restrictions. The trade-agreements program provides the most effective framework for the realization of that opportunity. The continued existence of the program is indispensable if our Nation and all nations are to look confidently to a brighter future.

The devastating war and its tragic aftermath have created enormous difficulties in Europe and in many other parts of the world which have led to economic poverty, political and social instability, and a deep-seated sense of insecurity. Toward helping to alleviate these difficulties, our Nation, in recent weeks, undertook a wise and far-reaching program of economic assistance to the free nations of Western Europe and of other parts of the earth designed to afford them such temporarily and desperately needed assistance as would enable them to cooperate with us and with each other to the greatest benefit of all of us. But a program of recovery must have a sense of basic direction and must proceed along a broader and more lasting course.

To this end, it is of the utmost importance that the Reciprocal Trade Agreements Act remain on our statute books as a continuing instrument of fruitful international cooperation. It is my earnest hope that the Congress which has recently shown the imagination and courage to enact the foreign-assistance legisla-

tion, will again reaffirm this country's broad and basic policy of international economic cooperation by renewing the present Trade Agreements Act.

2. *Opposition witnesses.*—Most of the witnesses for the opposition professed to appear in their private capacities. However, we are sure no one will overlook the fact that Mr. Arthur Besse is president of the National Association of Wool Manufacturers, that Mr. Claudius Murchison represents the Cotton-Textile Institute, that Mr. Robert Martin is executive secretary of the Vitrified China Association, that Mr. Wickliffe Rose, as well as two other opposition witnesses, have been closely identified with the American Tariff League¹ for years. The only opposition from labor was from an extremely small protectionist group. It is hardly a coincidence that all of these groups have appeared in opposition at most, if not all, of past hearings on the renewal of the Trade Agreements Act.

B. Public opinion polls

The most recent Gallup poll on the reciprocal trade program, published on May 12, 1948, reported that informed persons with opinions voted 10 to 1 in favor of the continuation of the trade-agreements program.

The answers:

	<i>Percent</i>
Should be continued.....	80
Should not be continued.....	8
No opinion.....	12

Half of those favoring continuation said they felt very strongly about this matter, slightly less than half felt fairly strongly and less than 1 in 10 not strongly at all. No major difference between Republican and Democratic voters were apparent in regard to continuation of the program. Eight out of ten in each party support it.

This favorable ratio of public support is substantiated by a coast-to-coast poll conducted by the magazine *Modern Industry* in the spring of 1947. Eighty-one percent of its readers voted "yes" to the question "Should the reciprocal trade-agreements program be continued?" Strongest support, 85.5 percent, was registered in the North Central States.

C. Press comment

The reciprocal trade-agreements program was endorsed by a majority of business paper editors who participated in an opinion survey conducted by the National Conference of Business Paper Editors in the spring of 1947.

Since March 1, 1948, the following newspapers have been noted as favoring the renewal of the Trade Agreements Act. They number 54 and only 4 have been noted as critical of the program.

FAVORING

New England:
Boston (Mass.) Herald.
Christian Science Monitor.
Manchester (N. H.) Union.
Providence (R. I.) Bulletin.
Springfield (Mass.) Union.

Middle Atlantic:
Baltimore (Md.) Sun.
Johnstown (Pa.) Tribune.
New York (N. Y.) Herald Tribune.
New York (N. Y.) Journal of Commerce.
New York (N. Y.) Post.

¹ The American Tariff League since 1885 has been an organization of business firms and associations advocating a high protective tariff. The organization claims to be exempt from Federal income taxes. It is not registered as a lobbyist.

FAVORING—continued

New York (N. Y.) Times.	St. Louis (Mo.) Globe-Democrat.
Philadelphia (Pa.) Bulletin.	St. Louis (Mo.) Post-Dispatch.
Philadelphia (Pa.) Inquirer.	South:
Pittsburgh (Pa.) Post-Gazette.	Atlanta (Ga.) Constitution
Pittsburgh (Pa.) Press (Scripps-Howard).	Baton Rouge (La.) State-Times
Stroudsburg (Pa.) Record.	Birmingham (Ala.) Age-Herald
Wall Street (N. Y.) Journal.	Charlotte (N. C.) Observer
Washington (D. C.) News (Scripps-Howard).	Dallas (Tex.) News
Washington (D. C.) Post.	El Paso (Tex.) Herald
Washington (D. C.) Star.	Fort Worth (Tex.) Press
Watertown (N. Y.) Times.	Fort Worth (Tex.) Star-Telegram
Midwest:	Greenwood (Miss.) Commonwealth
Cincinnati (Ohio) Enquirer.	Houston (Tex.) Post
Chicago (Ill.) News.	Louisville (Ky.) Courier-Journal
Chicago (Ill.) Sun-Times.	Memphis (Tenn.) Press-Scimitar
Cleveland (Ohio) Press (Scripps-Howard).	(Scripps-Howard)
Des Moines (Iowa) Register.	Miami (Fla.) Herald
Detroit (Mich.) Free Press.	New Orleans (La.) Times-Picayune
Detroit (Mich.) News.	Raleigh (N. C.) News and Observer
Kansas City (Mo.) Star.	Richmond (Va.) Times-Dispatch
Kansas City (Mo.) Times.	Tampa (Fla.) Tribune
Milwaukee (Wis.) Journal.	West:
Minneapolis (Minn.) Tribune.	Los Angeles (Calif.) Times
	Denver (Colo.) Post
	San Francisco (Calif.) Chronicle

CRITICAL

Baltimore (Md.) News-Post (Hearst)	New York (N. Y.) Sun
Bristol (Pa.) Courier	Wheeling (W. Va.) Intelligencer

Columnists, writers, and radio commentators.—Since March 1, 1948, 18 columnists, writers, and radio commentators have been noted as favoring renewal as compared to but 1 noted as critical. They are as follows:

FAVORING

Childs, Marquis (Washington Post)	Riggs, Robert (Louisville Courier-Journal)
Edson, Peter (Washington News)	
Drummond, Roscoe (Christian Science Monitor)	Stanford, Neal (Christian Science Monitor)
Ives, C. P. (Baltimore Sun)	Stokes, Thomas L. (Washington News)
Kingdon, Frank (New York Post)	Strout, Richard (Christian Science Monitor)
Krock, Arthur (New York Times)	Van Devander, Charles (New York Post)
Lindley, Ernest (Newsweek)	Davis, Elmer
Lippmann, Walter (Washington Post)	Eaton, Richard
Owens, John (Baltimore Sun)	Kaltenborn, H. V.
Porter, Sylvia (New York Post)	

CRITICAL

Brown, George Rothwell (Hearst)

Magazines and publications.—Magazines and publications noted since March 1, 1948, as favoring No. 8 as compared to one noted as critical, as follows:

FAVORING

American Milk Review	Friend, The
America	Nation, The
Export Trade and Shipper	Port of Baltimore Bulletin
Fortune	World's Business and Importers Guide

CRITICAL

Oil, Paint and Drug Reporter

CONCLUSION

It is our earnest conviction that peace, freedom, and world trade are inseparable, and that the foreign relations of the United States, political and economic, are indivisible. The existing Reciprocal Trade Agreements Act has enabled the President to negotiate mutually beneficial trade agreements with 41 foreign countries as a means of advancing the best interests of American industry, labor, farmers and consumers, and the execution of American military, financial, and foreign policies. The weaknesses, fallacies, and subterfuges of H. R. 6556, in its present form, constitute a clear and deliberate effort to sabotage and smash the reciprocal trade program.

Continued expansion of trade and commerce among free nations is an essential corollary to the foreign assistance program recently enacted by Congress. Enactment of the bill would be the subordination of American leadership in world economic affairs to the special interests of a few domestic producers.

The Reciprocal Trade Act, in our opinion, is the keystone of our bipartisan foreign economic policy. Its extension in substantially its present form for a full 3-year period is, therefore, legislative business of the highest priority.

ROBERT L. DOUGHTON.
JERE COOPER.
JOHN D. DINGELL.
WILBUR D. MILLS.
NOBLE J. GREGORY.
A. SIDNEY CAMP.
WALTER A. LYNCH.
AIME J. FORAND.
HERMAN P. EBERHARTER.

80TH CONGRESS
2D SESSION

H. R. 6556

[Report No. 2009]

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 1948

Mr. GEARHART introduced the following bill; which was referred to the Committee on Ways and Means

MAY 24, 1948

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

A BILL

To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the period during which the President is authorized
4 to enter into foreign-trade agreements under section 350 of
5 the Tariff Act of 1930, as amended (U. S. C., 1946 edition,
6 title 19, sec. 1351), is hereby extended until the close of
7 June 30, 1949.

8 SEC. 2. Before entering into negotiations concerning
9 any proposed foreign-trade agreement authorized by section
10 350 of the Tariff Act of 1930, as amended, the President
11 shall furnish the United States Tariff Commission (herein-

1 after in this Act referred to as the "Commission") with a
2 list of all articles imported into the United States to be con-
3 sidered for the possible granting of concessions in the agree-
4 ment and shall request the Commission to make an investi-
5 gation and to report to him the findings of the Commission
6 as to—

7 (1) the extent to which duties and other import
8 restrictions on the articles included in the list may be
9 modified; or

10 (2) the extent to which additional import restric-
11 tions on the articles included in the list may be im-
12 posed; or

13 (3) the maximum periods (if any) for which
14 obligations may be undertaken to continue existing
15 customs or excise treatment of articles included in the
16 list,

17 in order to carry out the purpose of such section 350 without
18 causing or threatening serious injury to domestic producers
19 of like or similar articles or impairing the national defense.
20 No such foreign trade agreement shall be entered into until
21 the Commission has made its report to the President.

22 SEC. 3. (a) The Commission shall furnish facts, statis-
23 tics, and other information at its command to officers and
24 employees of the United States preparing for or participating
25 in the negotiation of any foreign trade agreement; but

1 neither the Commission nor any member, officer, or employee
2 of the Commission shall participate in any manner (except
3 to furnish information) in the making of decisions with
4 respect to proposed terms of any foreign trade agreement
5 or in the negotiation of any such agreement.

6 (b) In the course of any investigation pursuant to a
7 request of the President under subsection (a) of this section
8 the Commission shall hold hearings and give reasonable
9 public notice thereof, and shall afford reasonable opportunity
10 for parties interested to be present, to produce evidence, and
11 to be heard at such hearings.

12 (c) Section 4 of the Act entitled "An Act to amend
13 the Tariff Act of 1930", approved June 12, 1934, as
14 amended (U. S. C., 1946 edition, title 19, sec. 1354), is
15 hereby amended by striking out "the United States Tariff
16 Commission,", by striking out "War, Navy,", and by in-
17 serting "the National Military Establishment," after "com-
18 merce,".

19 SEC. 4. (a) If the President enters into any foreign
20 trade agreement with any foreign government or instrumen-
21 tality thereof under section 350 of the Tariff Act of 1930, as
22 amended, which requires, or pursuant to which it would
23 be appropriate for, him to make a proclamation modifying
24 any existing duty or other import restriction or imposing any
25 additional import restriction to an extent greater than that

1 reported to him by the Commission pursuant to section 2,
2 or continuing existing customs or excise treatment of articles
3 beyond the time specified by the Commission in its report to
4 him pursuant to section 2—

5 (1) the President shall transmit such agreement
6 (bearing an identifying number) to the Congress, to-
7 gether with a message which shall include his views with
8 respect to the provisions of such agreement which re-
9 quire, or pursuant to which it would be appropriate for,
10 him to make such a proclamation. The delivery to both
11 Houses shall be on the same day and shall be made to
12 each House while it is in session;

13 (2) the Commission shall deposit with the Com-
14 mittee on Ways and Means of the House of Representa-
15 tives, and the Committee on Finance of the Senate, a
16 copy of its report to the President with respect to such
17 foreign trade agreement;

18 (3) such foreign trade agreement shall not take
19 effect before the expiration of the first period of sixty
20 calendar days, of continuous session of the Congress,
21 following the date on which the foreign trade agreement
22 is transmitted to it; and such foreign trade agreement
23 shall thereafter take effect only if, between the date of

transmittal and the expiration of such sixty-day period there has not been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the foreign trade agreement.

(b) For the purposes of subsection (a) (3) —

(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

(2) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain; except that if a resolution (as defined in section 202) with respect to such foreign trade agreement has been passed by one House and sent to the other, no exclusion under this paragraph shall be made by reason of adjournments of the first House taken thereafter.

SEC. 5. (a) The second sentence of section 350 (a) (2) of the Tariff Act of 1930, as amended, is hereby amended to read as follows: "No proclamation shall be made (A) decreasing by more than 50 per centum any rate of duty, however established, existing on January 1, 1945 (even though temporarily suspended by Act of Congress),

1 (B) increasing by more than 50 per centum any rate of
2 duty, however established, existing on June 12, 1934 (even
3 though temporarily suspended by Act of Congress), or
4 (C) transferring any article between the dutiable and free
5 lists.”

6 (b) The proviso of subsection (b) of such section is
7 hereby amended to read as follows: “*Provided*, That the
8 duties on such an article shall in no case (1) be decreased
9 by more than 50 per centum of the duties, however estab-
10 lished, existing on January 1, 1945, (even though tem-
11 porarily suspended by Act of Congress), or (2) be increased
12 by more than 50 per centum of the duties, however estab-
13 lished, existing on June 12, 1934 (even though temporarily
14 suspended by Act of Congress)”.

15 (c) Subsection (d) of such section is hereby amended
16 by striking out “increased or” and by striking out “increase
17 or”.

18 SEC. 6. Title II of the Reorganization Act of 1945
19 (Public Law 263, Seventy-ninth Congress) shall apply with
20 respect to concurrent resolutions expressing disapproval of
21 foreign trade agreements transmitted to the Congress by the
22 President pursuant to section 4 of this Act in the same man-
23 ner and to the same extent as such title applies with respect
24 to concurrent resolutions expressing disapproval of reorgan-

1. ization plans transmitted to the Congress by the President;
2. but references in such title to "reorganization plan" or "plan"
3. shall, for the purpose of this section, be considered to refer
4. to "foreign trade agreement" or "agreement", respectively.

Union Calendar No. 982

80TH CONGRESS
2D Session

H. R. 6556

[Report No. 2009]

A BILL

To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

By Mr. GEARHART

MAY 13, 1948

Referred to the Committee on Ways and Means

MAY 24, 1948

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

CONSIDERATION OF H. R. 6556

MAY 24, 1948.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 608]

The Committee on Rules, having had under consideration House Resolution 608, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 227

80TH CONGRESS
2D SESSION

H. RES. 608

[Report No. 2024]

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 1948

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for consideration of the bill (H. R. 6556) to extend the
5 authority of the President under section 350 of the Tariff
6 Act of 1930, as amended, and for other purposes, and all
7 points of order against said bill are hereby waived. That
8 after general debate, which shall be confined to the bill, and
9 shall continue not to exceed three hours, to be equally
10 divided and controlled by the chairman and ranking minority
11 member of the Committee on Ways and Means, the bill
12 shall be considered as having been read for amendment.
13 No amendment shall be in order to said bill except amend-

1 ments offered by direction of the Committee on Ways and
2 Means, and said amendments shall be in order, any rule
3 of the House to the contrary notwithstanding. Amendments
4 offered by direction of the Committee on Ways and Means
5 may be offered to any section of the bill at the conclusion
6 of the general debate, but said amendments shall not be
7 subject to amendment. At the conclusion of the considera-
8 tion of the bill for amendment, the Committee shall rise
9 and report the bill to the House with such amendments as
10 may have been adopted, and the previous question shall be
11 considered as ordered on the bill and amendments thereto
12 to final passage without intervening motion, except one
13 motion to recommit.

RESOLUTION

Providing for the consideration of the bill
(H. R. 6556) to extend the authority of the
President under section 350 of the Tariff Act
of 1930, as amended, and for other purposes.

By Mr. ALLEN of Illinois

MAY 24, 1948

Referred to the House Calendar and ordered to be
printed

DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued May 27, 1948
For actions of May 26, 1948
80th-2nd, No. 95

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HIGHLIGHTS: House passed bills to continue trade-agreements program for 1 year with amendments; to transfer alcohol plants to USDA; and to continue certain allocation and import-export control powers. Rep. Dirksen asked for conference on agricultural appropriation bill but withdrew request when Rep. Cannon moved to instruct conferees to agree to ACP amendment. House committee reported Interior appropriation bill. Senate committees reported revised property-management bill and bill to continue certain allocation and import-export controls. Sen. Wherry discussed his protest to to USDA on export of wool and meat scraps from Mexico in view of foot-and-mouth disease there.

HOUSE

1. INTERIOR DEPARTMENT APPROPRIATION BILL. The Appropriations Committee reported this bill, H. R. 6705 (H. Rept. 2038) (p. 6658). The bill includes items for soil and moisture conservation on Interior lands, Board of Geographic Names, Bureau of Reclamation, Bonneville Power Administration, Southwestern Power Administration, Bureau of Land Management, Bureau of Indian Affairs, National Park Service, Fish and Wildlife Service, Government in the territories, etc. It provides a total of \$375,677,591, which is less than the 1949 estimates by \$84,293,244 but more than the 1948 appropriations by \$112,876,532.

Excerpts from the committee report:

Indian services. "In many instances, the committee is convinced that the functions which the Bureau of Indian Affairs is attempting to carry out are overlapping and in some cases in conflict with programs and functions authorized by law to be performed by other bureaus and departments of Government. These overlapping activities are particularly to be noted in the field of agriculture. In many instances, the Extension Service, soil-conservation work, farm agents, and others in the localities are ready, willing, and able to render the same type of service and extend their operations to the Indians in that area, that they are extending to other citizens. In such cases, the committee believes that generally there is no need for a separate representative of the Bureau of Indian Affairs to deal with the Indians solely. In other instances, in the matter of forest

development, protection, and operations, the committee does not believe that there is any necessity for a continued operation of this function and the handling of it separately by the representatives of the Bureau of Indian Affairs, but that these activities can well be performed by, and should be under the supervision of, the National Forest Service."

Reclamation. "The committee desires to reemphasize its statement in former reports on the bill, that the reclaiming of arid lands by the construction of reclamation projects is and always has been the primary purpose of the reclamation laws. Development of hydroelectric power is incidental to irrigation and is made as a means of financially aiding and assisting such undertakings. This policy should not be departed from without specific legislation by the Congress."

Grazing service. "While it is the intention of the committee that a moderate reduction be made in the proposed increase for grazing administration, the committee wishes to go on record as being in general harmony with the program for financing this activity as set forth in the formula proposed by the Bureau of Agriculture Economics as a result of its survey of the Grazing Service and as set forth in the justification submitted by the Bureau of Land Management. It is the opinion of the committee that the formula set forth therein is sound and reasonable and the committee feels that funds should be allocated for this work in an amount approaching the figure proposed in the budget estimate."

2. TRADE AGREEMENTS. Passed, 234-149, without amendment H. R. 6556 (pp. 6657-703). This bill continues the reciprocal trade agreements program until June 30, 1949, but provides for a study by the Tariff Commission of each item to be considered in connection with such an agreement and requires that, if the rates in the tentative agreement are not within the findings of the Commission, the President may not proclaim the new rates until Congress has had a 60-day opportunity to object by concurrent resolution. Before the bill was considered, the resolution providing for its consideration was agreed to by a 197-166 vote, after the vote on the resolution had been ordered by a 212-156 vote (pp. 6663-4). Just before passage of the bill, rejected, 168-211, a motion by Rep. Doughton, N. C., to recommit the bill with instructions that the Ways and Means Committee report it back with a provision for continuing the present program for 3 years without change (p. 6702).
3. ALLOCATIONS; FOREIGN TRADE. Passed without amendment H. R. 6659, which continues through February 1949 the import controls over fats and oils, rice and its products, nitrogenous fertilizer, and pig tin; and priorities power under certain conditions where prompt export of materials is in the national interest (p. 6657).
4. ALCOHOL PLANTS. Passed with amendments H. R. 6096, to transfer to this Department the alcohol plants at Muscatine, Kansas City, and Omaha (pp. 6713-4). In addition to the committee amendments, agreed to an amendment by Rep. Hope to permit the use of other USDA funds for expenses necessary in connection with maintaining the plants in stand-by condition while not under lease.
5. AGRICULTURAL APPROPRIATION BILL. Rep. Dirksen asked that the House disagree to the Senate amendments to this bill, H. R. 5883, and ask for a conference. Rep.

PERMISSION TO ADDRESS THE HOUSE

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MEN ARE BORN FREE AND EQUAL

Mr. MULTER. Mr. Speaker, on May 21, 1948, the State Department released an historical document. It is the agreement reached at the Ninth International Conference of American States at which 21 nations, the United Nations and the Pan-American Union were represented. I am not going to attempt to read all of the agreement. Although I commend it to your attention in its entirety, I will merely read a part of the preamble and some of the articles of the first chapter.

The preamble starts with these significant words:

"All men are born free and equal, in dignity and in rights, and, being endowed by nature with reason and conscience, they should conduct themselves as brothers one to another."

The first four articles are as follows:

Every human being has the right to life, liberty, and the security of his person.

All persons are equal before the law and have the rights and duties established in this Declaration, without distinction as to race, sex, language, creed, or any other factor.

Every person has the right freely to profess a religious faith, and to manifest and practice it both in public and in private.

Every person has the right to freedom of investigation, of opinion, and of the expression and dissemination of thought, by any medium whatsoever.

Article 22 is as follows:

Every person has the right to associate with others to promote, exercise, and protect his legitimate interests of a political, economic, religious, social, cultural, professional, trade-union, or other nature.

The second part of article 26 is as follows:

Every person accused of an offense has the right to be given an impartial and public hearing, and to be tried by courts previously established in accordance with preexisting laws, and not to receive cruel, infamous, or unusual punishment.

I wonder if it was purely coincidental that the agreement was released for publication in this country during the week when the portion of the Bible read in every synagogue throughout the world was from the Book of Leviticus, dealing with the command of the Lord that all men are equal before the law and that the law must be the same for all.

EXTENSION OF REMARKS

Mr. HARDY asked and was given permission to extend his remarks in the RECORD in two instances, to include in one an article on Okinawa and in the other a resolution.

COMMITTEE ON PUBLIC WORKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the Subcommittee on Roads of the Committee on Public

Works may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF CERTAIN PROVISIONS OF SECOND DECONTROL ACT

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6659) to continue for a temporary period certain powers, authority, and discretion conferred on the President by the Second Decontrol Act of 1947, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. RICH. Mr. Speaker, reserving the right to object, what does the bill provide?

Mr. WOLCOTT. It continues certain of the temporary war powers under the Second War Powers Act. It will be recalled that about 90 days ago we continued it until May 31, with the idea that we might be able to get rid of some of the controls. This is a bill which continues controls on tin and tin products, antimony, fats and oils, rice and rice products, and nitrogenous fertilizer. It did, before the committee worked on the bill, continue controls on cinchona bark, quinine, and quinidine. We felt that the situation was such that we could very well take controls off of those, so we have eliminated them. At the present time the controls would be continued, if this bill is passed, on tin and tin products, antimony, fats and oils, rice and rice products, and certain other materials. The only controversy in the bill was with reference to fertilizer. We have made it possible, under this bill, for the American farmer, the domestic producer, indirectly to get a good portion, quite a large part of the fertilizer, nitrogenous fertilizers, which are being manufactured by the Department of the Army.

Mr. RICH. Has it not been demonstrated that the fertilizer industry of this country will be able to take care of our own domestic needs if we would not ship so much out of the country? I think it is about time that we get these decontrols out of the hands of the President. It seems to me the quicker we eliminate the power of control by the President on everything in this country, the better it is going to be. I am for it, and I want to do it, and I hate like everything to give him any extension of time, because I think we will work this thing out if we get this Government off of the necks of the people of this country.

Mr. WOLCOTT. I might say that the committee was in wholehearted accord with the gentleman's position, and we did just about that.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (b) of section 1501 of the Second War Powers

Act, 1942, as amended by the Second Decontrol Act of 1947 (Public Law 188, 80th Cong.), and as further amended by the act of February 28, 1948 (Public Law 427, 80th Cong.), is hereby amended by striking out "May 31, 1948" and inserting in lieu thereof "February 28, 1949." Subsection (b) (1) (C) of such section 1501 is hereby repealed. Subsection (b) (1) (E) of such section 1501 is hereby amended by inserting before the semicolon at the end thereof a comma and the following: "and nitrogenous compounds (including anhydrous ammonia), in any form, necessary for the manufacture and delivery of the nitrogenous fertilizer materials required for such export: *Provided, however,* That 50 percent of the export requirements of nitrogenous fertilizer materials to nonoccupied areas shall be supplied out of nitrogenous fertilizer materials produced in plants operated by the Department of the Army, and notwithstanding any other provision of law the Department of the Army is authorized to produce such nitrogenous fertilizer materials to fill such 50 percent of such export requirements." Subsection (c) of such section 1501 is hereby amended by striking out "May 31, 1948" and inserting in lieu thereof "February 28, 1949."

SEC. 2. Subsection (b) of section 3 of the act entitled "An act to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes," approved December 30, 1947, is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks, and I ask that they be printed in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[Mr. McCORMACK addressed the House. His remarks appear in the Appendix of today's RECORD.]

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include certain clippings and statistics.

FOREIGN-AID AGREEMENTS

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 608 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 6556) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said

amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

CALL OF THE HOUSE

Mr. GORE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 73]

Anderson, Calif.	Hartley	Murray, Wis.
Bell	Heffernan	Norton
Bland	Hendricks	O'Hara
Buckley	Holifield	O'Toole
Bulwinkle	Jenison	Owens
Clark	Jennings	Pfeifer
Clason	Johnson, Okla.	Potter
Clippinger	Johnson, Tex.	Rayburn
Cole, Kans.	Jones, N. C.	Rivers
Cotton	Kefauver	Robertson
Davis, Tenn.	Kennedy	Scoblick
Dawson, Ill.	Kerr	Sheppard
Dolliver	Kersten, Wis.	Short
Domeneaux	Kilday	Smathers
Durham	King	Smith, Maine
Ellsworth	Landis	Snyder
Engle, Calif.	Lane	Somers
Fellows	Lesinski	Stigler
Gallagher	Lusk	Stockman
Gamble	Lyle	Stratton
Grant, Ind.	Mansfield	Thomas, N. J.
Gwinn, N. Y.	Mason	Thompson
Gwynne, Iowa	Meade, Ky.	West
Hall	Miller, Calif.	Wilson, Tex.
Edwin Arthur	Morrison	Youngblood
Hart	Mundt	

The SPEAKER. On this roll call 350 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CORRECTION OF VOTE

Mr. ENGEL of Michigan. Mr. Speaker, on roll call No. 73, on Monday, I am recorded as not voting. I was present and voted "Yea." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL, 1949

Mr. JENSEN, from the Committee on Appropriations, reported the bill (H. R. 6705) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1949, and for other purposes (Rept. No. 2038), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. KIRWAN reserved all points of order on the bill.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include a speech made by Harvey W. Brown.

FOREIGN-TRADE AGREEMENTS

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself as much time as I may require.

Mr. Speaker, this rule provides for 3 hours of general debate. It waives all points of order, and amendments are limited to those offered by direction of the Committee on Ways and Means. The rule also provides for one motion to recommit.

I know that before long our good friends of the minority will have plenty to say about the Committee on Rules' bringing in what they will call a gag rule. To you new Members, I would say that for many years under the able leadership of the former Speaker of the House, the gentleman from Texas [Mr. RAYBURN], and my good friend the gentleman from Massachusetts [Mr. McCORMACK], we really did have gag rules. I remember the days when legislation was brought on the floor of this House and Members were not even able to cross a "t" or dot an "i." During the thirties we passed bills, and those bills were interpreted by the Chief Executive as he saw fit, and he was backed by a packed Supreme Court. So I say to you that although we are going to hear plenty today about gag rules, if you will look at the record you will find listed in a speech I made last year 37 rules that really were gag rules, that were brought out during sessions in the thirties.

The fact remains in regard to this bill that this is not a gag rule. There is only one question involved in the bill, and that is whether we should extend the reciprocal trade-agreements program for 1 year or 3 years. This rule provides for one motion to recommit. At the proper time the minority probably will offer a motion to recommit this bill, instructing the Committee on Ways and Means to bring in a 3-year extension. Therefore, the only issue involved here is whether the extension should be 1 or 3 years, and the minority will have the opportunity to express their views in the motion to recommit.

I want to compliment the members of the Committee on Ways and Means, especially our distinguished chairman [Mr. KNUTSON], and also Mr. DOUGHTON, Mr. COOPER, Mr. WOODRUFF, Mr. REED of New York, Mr. JENKINS of Ohio, Mr. MASON, Mr. GEARHART, and the others on the splendid work and thorough study they have given to every bill that has come out of that distinguished committee.

I hope, Mr. Speaker, that the Members of the House will vote to adopt this rule and that the bill itself, extending the reciprocal trade-agreements program for 1 year, will be passed.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. HARRIS. Is it not a fact that any rule which prevents amendments

being offered to a bill is considered a gag rule?

Mr. ALLEN of Illinois. There has been much talk about a gag rule, but if the gentleman will go back to the 1930's, you will find some real gag rules where you could not even cross a "t" or dot an "i."

Mr. HARRIS. But does one sin justify another?

Mr. ALLEN of Illinois. Perhaps in some instances, yes.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. COOPER. Does the distinguished chairman of the Committee on Rules know how he could draw any tighter or more closed rule than the one presented here today?

Mr. ALLEN of Illinois. I do not presently know unless I were to go back to the 1930's and study some of the rules brought out in those days, and then I would probably be in a better position to do so.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. McCORMACK. The gentleman knows, of course, that whenever a reciprocal trade-agreements law or the extension of such agreements was brought up, we never had a gag rule or a closed rule, but they were all considered under the general rules of the House?

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. MICHENER. This is the situation about this rule. We have heard this line of argument down through the years. I have served on the Rules Committee for many years when Republicans as well as Democrats were in power. The party in power has often been accused by the minority, of bringing in a gag rule. You cannot write a good bill of this kind or a tax bill or a tariff bill on the floor of the House. Everybody knows that. Under a rule such as this, what can happen? The majority has presented its bill. There will be a chance to vote "yes" or "no" on it. The minority who are opposed may offer a motion to recommit in which motion they can embody their philosophy and their version of a desirable bill. Thus there may be a vote between the two philosophies, one on the motion to recommit which may be called a minority bill, and the other on the majority philosophy which is contained in the bill reported by the majority. Therefore the House may work its will. There is an opportunity for a clean-cut vote between the philosophies of the two groups concerning the extension of the Trade Agreement Act.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. EBERHARTER. It seems to me that the gentleman from Illinois, the chairman of the Committee on Rules, is devoting his entire time defending himself. He is the first one who has spoken on the rule, and he is on the defensive from the beginning. So you must have something on your mind when you are on the defensive.

Mr. ALLEN of Illinois. I probably have in mind the tactics of a few of the minority members who are experts in the art of gag rule.

Mr. McCORMACK. My friend has a little guilty conscience there.

Mr. ALLEN of Illinois. I would not say that, sir.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield further?

Mr. ALLEN of Illinois. I yield.

Mr. McCORMACK. In reply to the gentleman from Michigan who says that you cannot write a bill of this kind on the floor, the fact is that every time such a bill as the present one has been considered heretofore, it was considered without a closed rule.

Mr. MICHENER. Mr. Speaker, if the gentleman will yield, is it not true that before these bills were considered, your party, the then majority party, held caucus, and you bound your Members to come to the floor and vote for the bill?

Mr. McCORMACK. No, that is not true. The gentleman is a skillful and great legislator, but he can be mistaken.

Mr. HALLECK. Mr. Speaker, will the gentleman yield to me for the purpose of propounding an inquiry to my good friend the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. ALLEN of Illinois. I yield.

Mr. HALLECK. I would like to ask the gentleman from Massachusetts [Mr. McCORMACK], just what amendments he is in favor of in respect to the pending bill.

Mr. McCORMACK. What amendments?

Mr. HALLECK. Yes.

Mr. McCORMACK. I am in favor of an extension of the existing law as it now stands.

Mr. HALLECK. That is for 3 years?

Mr. McCORMACK. I am in favor of the recommendation of the President for a 3-year extension.

Mr. HALLECK. Then may I say in response to the gentleman from Massachusetts, the gentleman from Illinois having yielded to me for that purpose, that the answer of the gentleman from Massachusetts [Mr. McCORMACK], makes it perfectly apparent that there is no one on the minority side who is interested in any amendment to the pending bill. The only thing you are interested in is an extension for 3 years without crossing a "t" or dotting an "i".

Why all this cry-baby stuff about this rule? We are trying to expedite the business of the House of Representatives. You do not care about individual provisions of this bill. All you want to do is to do what the people downtown ask you to do, which is a 3-year extension, without any change. Now you are going to have that opportunity under a motion to recommit. That ought to be enough to satisfy you.

Mr. ALLEN of Illinois. Mr. Speaker, I thank the gentleman from Indiana [Mr. HALLECK], for those most appropriate remarks.

I now yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, the chairman of the Rules Committee, the gentleman from Illinois [Mr. ALLEN], states that we should go back to the thirties as to the closed rule. Has he reference to the gag rule that was brought in in the thirties on the Smoot-Hawley tariff bill? The bill that really brought about the greatest disaster to our country? That was a tariff bill. The Republicans brought it in under a gag rule. I concede that on tariff and revenue bills, when the Ways and Means Committee has agreed and asked unanimously for a closed rule, that it has been granted. But this is not a tariff bill. This is not a revenue bill. This is a bill that has been considered by the House four times without a closed rule. At all times it was considered under an open rule, giving the Members an opportunity to familiarize themselves with the bill and to vote for or against any provision in the bill.

I have been a member of the Rules Committee for a great many years, and a Member of this House for a great many years. This is the worst of all the closed rules I have ever observed.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I regret I cannot yield at this time.

This rule will not even permit that the bill be read. It is a 7-page bill. You have to take it as is, without it even being read. It precludes any amendments.

The rule provides for 3 hours of debate, but that is the only privilege you have under the rule.

Now, I want to say, especially to the newer Members, I sympathize with a great many of you on that side, because you are being forced and driven and coaxed to vote for this rule against your own convictions, because you know that under this rule your privilege as Members, your rights, are being taken away, very likely on the theory that you new Members do not know anything about legislation and you should leave it to the big six on the Republican side under the direction and influence of the National Manufacturers Association, an association which at this time does not represent the business of the country, because the business and the country are 95 percent for the extension of this legislation that has worked so well in the interest of our country, and under which we have been able to increase our exports and our business. A recent Gallup poll shows that 80 percent of the people are for and only 8 percent against the extension of the present law; that all the large metropolitan newspapers, with the exception of three of them, are for it; and that businessmen throughout the country are for its continuation for 3 years and without change. Labor and consumer organizations also approve the continuation of the present law.

The large combines seek special tariff consideration, and like to maintain the fiction that their growth is the result of free enterprise. Perhaps it will benefit them if legislation of this nature is passed, but the majority of American businesses cannot benefit.

A great Secretary of State, Secretary Cordell Hull, lifted this question out of politics, to the benefit of the Nation as a whole. To pass legislation of this nature will be to sabotage the effort and work of a great many years.

Mr. Speaker, I insert at this point as part of my remarks a letter received from Mr. H. P. Stewart, an outstanding businessman, of Chicago, which is one of the hundreds which I have received urging the extension of the law without change for a period of 3 years. Mr. Stewart gives most effective reasons for the continuation of the law. His letter is as follows:

RECIPROCAL TRADE AGREEMENTS

CHICAGO, ILL., May 19, 1948.

Hon. ADOLPH J. SABATH,
House Office Building,
Washington, D. C.

DEAR SIR: We believe you should know that those of us who have devoted years furthering our foreign trade feel that there has never been a piece of legislation so helpful to our trade as that provided under the reciprocal trade-agreements program.

Now that the United States is the only solvent creditor nation, it is incumbent upon us to see that the well-conceived and proven Reciprocal Trade Act is renewed without amendments and for the full 3-year period. This latter is all the more important if the billions of dollars for foreign aid do not become an idle gesture, and we lose the necessary expansion of world trade, without which other nations cannot reach economic stability. Those of us in the country will lose the results of our years of effort in catering to the needs of other countries, and the vital benefits of foreign trade will be lost to the United States.

This country has a new role to act on the world stage; it is and must be the unquestioned leader. Any change whatsoever in the reciprocal-agreements program at this time would be ill-advised and most certainly spoil the show.

Your support of this program in Congress will be appreciated.

Yours very truly,

H. P. STEWART.

Every man who is not seeking special privilege under a high tariff is for the extension of this legislation as it is for 3 years, because under the present law our foreign economic structure has expanded and our foreign business has increased tremendously. This bill, if enacted, will impair our foreign economic policy and make a political football out of this vital, all-important policy that will destroy our world economic leadership.

This bill has not even been considered by the Ways and Means Committee. The minority members of the Ways and Means Committee did not even have the privilege of sitting in during the 6 days the Republican members of the Ways and Means Committee were considering it behind closed doors. I know some of you believe in that kind of practice, but you will not be able to explain it to the public and to the people at home. I actually am sorry for some of you newer Members, because, as I have stated, you will not be able to explain it to your constituency. I know that if you were not forced and clubbed into submission at least 15 to 20 percent of the Republican membership would vote against the rule

and against the bill, and for the extension for 3 years.

In view of the importance of this matter, I feel, Mr. Speaker, that we should vote down the previous question. By voting down the previous question you will have an opportunity to vote on the provisions of the bill that you in your heart feel should be eliminated, and will have the right to extend this splendid legislation for an additional 3 years.

In case we should not succeed in defeating the previous question, I, of course, am going to ask all those who believe in fair play and who have the interest of the people at heart to vote against the rule and thus give the Members of this body an opportunity, which is theirs under the Constitution, to vote on this important legislation according to their conscience and dictates of their hearts.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Illinois has consumed 7 minutes.

Mr. ALLEN of Illinois. Mr. Speaker, I have only one more request for time. Will the gentleman use more of his time?

Mr. SABATH. Is that all the gentleman has on that side who are willing to speak on this gag rule?

Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. COOPER].

(Mr. COOPER asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Speaker, it is unfortunate that a serious effort should be made to force consideration of this important legislation under this type of closed or gag rule. No such effort has ever been made before. This is the fifth time that this type of legislation has been considered here in the House. There has never been a closed rule on this type of bill, there has never been any rule for this type of legislation except on one occasion which was to fix time for general debate. On every other occasion this legislation has been presented to the House for consideration under an open rule and under the general rules of the House of Representatives. Next to the last time that this legislation was considered, as the designated parliamentarian of the Ways and Means Committee, I made 10 points of order against important amendments offered from the floor, most of them from the other side of the House.

The last time it was under consideration I made perhaps a greater number of points of order against amendments offered. Each time every Member of this House had full and ample opportunity to offer any amendment to the legislation that he saw fit. There never has been a closed rule for the consideration of legislation of this type.

Mr. Speaker, what is the majority afraid of? Are you afraid of this Democratic minority? No; that is not it. You are afraid to give your own Members an opportunity to express their views in an effort to amend this important legislation. It is the same thing that hap-

pened during consideration of the Smoot-Hawley tariff bill in 1930. I sat here and saw the Republican leadership at that time bring in a closed rule like the present rule presented here today, not allowing a single Member of their own party to offer an amendment to that measure. Fifteen Republican members of the Ways and Means Committee had met behind closed doors and drafted the legislation, excluding all other members of their party and all Democratic members. The then Republican leader of the House, the distinguished gentleman from Connecticut, Mr. John Tilson, publicly stated that the Republican leadership did not propose to allow every Tom, Dick, and Harry an opportunity to offer amendments to the legislation. You are repeating that performance today.

What happened? The very next time the authors of the bill came before the people they were defeated. You know the results to the country and to the trade of this Nation of the Smoot-Hawley tariff bill.

The question is presented here today: Shall the House have the opportunity of considering this legislation as it has on every occasion in the past, and will the Members have a chance to offer amendments that they think should be offered to this bill? This program has been successful for the last 14 years. It has the most overwhelming support of the American people, of the press, of business organizations, of labor organizations, of consumer groups, of every segment of the people of this country, of almost any legislation that has been passed.

In its far-reaching consequences to the future welfare and the interests of the people of this country, this is in many respects the most important legislation to be considered during this Congress.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. SABATH. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. COOPER. Mr. Speaker, I submit that the previous question should be voted down, and we can then offer an amendment to the rule making it an open one like it has always been in the past, giving all Members the opportunity to offer amendments. If the previous question is ordered, then the rule should be voted down so that we may consider this legislation under the general rules of the House, in fairness to every Member here, so that he may be given an opportunity to offer amendments and to express his views in reference to this legislation.

So I submit in all fairness that this rule should be voted down and the Members given the opportunity to express their views, and at least have a chance to vote on important amendments to improve this legislation.

The statement has been made here by the distinguished gentleman from Michigan that tariff and tax legislation cannot be considered under an open rule. Well, the facts stand out in bold relief that this legislation has been considered on four different occasions under an open rule, and the will of the House, was expressed.

Mr. GEARHART. Mr. Speaker, if the gentleman will yield, when it was considered under an open rule the Democratic Party had a rubber-stamp majority. Those were the days of rubber-stamping, when "must" legislation came down from the White House and they just voted it out.

Mr. COOPER. The question is: Are you afraid of your own Members? Are you afraid to give the men on your side of the House a chance to offer amendments to your bill?

Mr. GEARHART. We have no rubber-stamping on this side of the House.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Speaker, whatever action is taken by the House today will be broadcast to the four corners of the world. Should this House pass H. R. 6556 we will be telling the world that the United States of America has decided to change its policy insofar as trade with the world is concerned. We shall be telling the world that we are backtracking, that we intend to go back to the old days of that scandalous log-rolling practice of writing tariffs, that we are going back into isolationism, and that we intend to build high-tariff walls. We have condemned other countries because they have erected trade barriers against us in the past, and now we will invite them, by this bill, to do the same thing over again.

Now, perhaps many of you will say, "Well, this man is not talking on the rule. He is talking on the bill." That is true, Mr. Speaker, but I do so because I want to bring to your attention the fact that under the rule now being considered the result will be disastrous to our country.

I am sorry to note that the distinguished chairman of the Committee on Rules said—and I am sure he did not mean to say what he did—that this legislation posed only one question, the question of extension of time from 1 to 3 years, because if he will look at page 2 of the report he will see that there are eight different points listed where changes are provided. To adopt the rule means just what has been said by the previous speakers; it is a gag.

I sympathize with my friends on the left for being whipped into line, for being kept under the lash, because I know that many of you feel, as we on this side feel, that there should be a 3-year extension in this bill, because you realize, as we do, that the Reciprocal Trade Agreements Act is the pivot for our world-recovery program. You realize also, I am sure, that this is not only sabotage of the Reciprocal Trade Agreements Act, it is killing the act outright. But apparently you do not have the courage to let this act expire. If you want to do that, why not come out like men and say, "We are opposed to it definitely." But, oh, no, you say, "We are in favor of the reciprocal trade agreements program, but"; and oh, my, what that "but" means.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I call attention to the fact that no Members other than those on the Committee on Ways and Means will have an opportunity to debate this bill on the floor because there will be no debate under the 5-minute rule. If the 180 minutes of general debate are evenly divided among the members of the Committee on Ways and Means, they will have only 7 minutes apiece to debate this most important piece of legislation, and no other Member will have an opportunity to say a word.

Mr. FORAND. I thank my friend for that comment. The reason I am speaking on the rule instead of on the bill is to make it possible for others to get a chance to say a word. I am pleading, I am begging all of you who believe in fair play and honesty to vote against the motion for the previous question on this rule so that there may be an opportunity to consider the bill under the general rules of the House, as has been done in the past. If you do not do that, then the world will fully recognize how true is what the newspaper editorials of this country have been saying right along, that the Republican Party, following its historic practice, is opposed to the reciprocal trade agreements program, and that this is just administering a slow death to the program. General Marshall in his letter which many of you have seen, I am sure, tells you the same thing. It is better to have no bill at all, no reciprocal trade agreements extension at all, than to have this legislation.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, a vote for this rule is a vote to extend the reciprocal trade agreements program, and make no mistake about it. The Eightieth Congress has been one of the busiest Congresses in the history of this Republic. There has been labor legislation and all manner of broad, sweeping legislation. We are undertaking currently to consider a home-rule bill for the District of Columbia. Our work this session has been local, national, and international. More legislation has been before this Congress than any other Congress in a long time.

The trade-agreements law expires on June 12. Next Tuesday is June 1. The Republican majority of this Congress has taken this procedure to extend the trade-agreements program. It must go through with expedition; it must go through without crippling amendments, and it must go through now. If you are for the extension of the reciprocal trade-agreements program you must be for this rule and must be against voting down the previous question.

If the previous question is voted down, a substitute rule will be considered under which considerable latitude will be given to bring in all manner of amendments relating to the tariff. It involves quotas, it involves rates, it involves other matters. I say to the gentlemen on my right, if you want the trade-agreements

program extended, then vote for the rule that will make it possible to extend it and get it through the other body and have it signed by the President before June 12.

There has been all sort of loose talk around the country about this program. It has been said that no hearings were held. There were 7 weeks of open hearings. The hearings were published, and no one was denied the right to come and say what he wanted to say in reference to this program. This program is being extended. True, some minor corrective amendments are inserted. It cannot be said that any unreasonable amendments have been attached to this bill. The program continues. Then what is the issue between the minority and the majority? Apparently it is a question of time. As a matter of fact, I doubt very much if the minority will offer a motion to recommit extending this program for 3 years because they have established a precedent that each Congress gets a chance to look at this program. Their last extension was for 2 years. I do not think the Members on the minority side will vote to take this out of the hands of the Eighty-first Congress.

Why has the majority recommended an extension of a little over a year? There are very good reasons for that. In the first place, if the next Congress is to look at this, they ought to look at it early in the session. It should not be one of those hurried matters just before an adjournment in an election year. So far as I am concerned, I think all of this legislation that expires periodically should be so timed that it expires in the odd-numbered years. I think that would be orderly procedure. There are other very important reasons why this law should be extended only for about a year and 20 days. One reason is that it is related to the European recovery program. The Congress has already proceeded on the basis that ERP shall be looked at each year beginning the end of June. It may turn out as that program develops that you will want some changes, some additions to or some subtractions from the program. The two should be handled together. They should be considered next year. There is another and larger reason why this program should be considered next year: Congress will have before it the charter of the International Trade Organization. It is a composite, far-reaching trade agreement, if you please. What the Congress will do with it, I do not know. I do not know whether it has been ascertained what committee will have jurisdiction of it. But it will be here—a major feature in our whole international program. It will be before the Congress for consideration. Certainly our general reciprocal trade agreements program should coincide with ITO. Certainly Congress should deal with both matters. I am sure that every person in the land who has throughout the years made a study of the reciprocal trade-agreements program, who is familiar with the law, and who has investigated the agreements that have been entered into, realizes that the reciprocal trade-agreements program is part and

parcel of our foreign relief program. The two should be considered together.

It is unfortunate that in the closing days of this Congress, when we are trying to extend the reciprocal-trade-agreement program for another year, that partisan efforts to harass, delay, and bring in amendments of all sorts should be carried on on this floor.

Mr. COMBS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. COMBS. A moment ago reference was made to the fact that this is the 26th day of May, and the Trade Agreement Act expires on the 12th of June. Why is it we waited from the beginning of this Congress until now to bring it up?

Mr. CURTIS. The gentleman knows that we have had a very heavy program in this House. The Committee on Ways and Means has been very busy considering trade agreements, taxes, and social security.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. DINGELL. I know the gentleman wants to keep the Record straight.

Mr. CURTIS. Very much so.

Mr. DINGELL. Let me remind the gentleman that the President had sent three previous messages during this session with regard to social security amendments.

Mr. CURTIS. The gentleman from Nebraska made a mistake in mentioning social security, because we do not want to sidetrack the issue. The fact remains that you have a chance to extend the reciprocal trade agreements program today. If you vote down the previous question, you vote for harassing delays.

The SPEAKER. The time of the gentleman from Nebraska [Mr. CURTIS] has expired.

Mr. SABATH. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

(Mr. McCORMACK asked and was granted permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes, I yield.

Mr. ALLEN of Illinois. I understood the gentleman had just received permission to revise and extend his remarks.

Mr. McCORMACK. Yes.

Mr. ALLEN of Illinois. Would the gentleman include the 37 gag rules that the gentleman reported?

Mr. McCORMACK. Does the gentleman consider that a wise or constructive contribution?

Mr. Speaker, let us have no misunderstanding about the question of closed rules. The gentleman from Illinois [Mr. ALLEN], himself is the one who used the phrase "gag rule." The Ways and Means Committee, under Democratic control, never asked for a closed rule unless all members of the committee joined in the request. Get that, now. I served on that committee for 10 years. We never asked for a closed rules unless the Democrats and Republicans on the committee voted to direct the chairman of the committee to request such a rule from the Committee on Rules.

This matter has been before the Congress five times. We never asked for a closed rule. The gentleman from California [Mr. GEARHART] whom I like very well, but who impulsively makes statements such as offended the good woman's organization of this country, a moment ago referred to the landslide majority of the Democratic Party in past Congresses.

That certainly is not a reason and is a far-fetched justification. But, in 1945, we had about the same membership in this branch as the Republican Party has now. We did not ask for a closed rule then.

Mr. GEARHART. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield briefly for a question, not a speech.

Mr. GEARHART. I will state it then in the form of a question. The Democratic Party has a caucus system which binds its members to vote.

Mr. McCORMACK. The gentleman is absolutely mistaken in the fact that the Democratic Party has ever exercised a binding upon its members. In my 20 years of experience, on one occasion only—and that was about 18 years ago—did the Democratic Party use it; and the Democratic Party releases a man if a binding is contrary to a campaign promise.

Mr. GEARHART. The gentleman will admit that the Republican Party has no caucuses under any conditions. They only hold conferences and every member of the Republican Party is free to vote his own particular viewpoint; and he always does.

Mr. McCORMACK. Is that so?

Mr. GEARHART. That is so.

Mr. McCORMACK. Does the gentleman want that for the RECORD? Does he think he can fool everybody?

Mr. GEARHART. I have said it.

Mr. McCORMACK. The gentleman's idea of being able to josh everybody is a very strong one. The gentleman had better consult himself and develop in such statements as that a little more intellectual honesty.

Mr. GEARHART. I have been a Member of Congress for 14 years and have never been asked or told to vote on any question any particular way.

Mr. McCORMACK. The gentleman from California does not have to be told; he follows like a sheep.

Mr. GEARHART. That statement, coming from a Democrat, seems silly.

Mr. McCORMACK. Now, Mr. Speaker, the 1-year proposition is not the question involved here. If that were the only question involved we could get together on it. If extending the law 1 year or 3 years were the issue involved there is no question but what we could get together. What is involved here is a repudiation of the whole reciprocal trade agreements program; that is what is involved. Not long ago the New York Times in an editorial tersely presented the issue. It said:

The coming contest will provide an interesting and particularly timely answer to the question of how far the Republican Party has emerged from prewar isolationism in its thinking on international economic issues in this election year.

Some years ago there came from the State of Tennessee a man who will go down in history as one of the great Americans of all time and one of the outstanding Secretaries of State not only of our constitutional history to date but for all time to come. I refer to Cordell Hull. Cordell Hull served as a Member of this body; he served as a Member of the United States Senate for many years with outstanding distinction; he served as Secretary of State. In this body, in the other body, and as Secretary of State, he recognized the evils of high protective tariffs, and he fought for years in an effort to remedy those evils. He saw his years of effort consummated successfully some 12 to 14 years ago when the first reciprocal trade agreements law passed Congress and became law. He has seen it in successful operation during those years.

Cordell Hull is now on his sickbed and has been for about 2 years. He now sees his effort and great contributions of the last 12 to 14 years now threatened with destruction. Yesterday I received written from his sickbed at the naval hospital in Bethesda, a letter coming from the fighter, Cordell Hull, the fighter in this body, the fighter in the Senate, the fighter as Secretary of State, and now on his sickbed still fighting for this great program of his that years ago was only a dream.

Yesterday Cordell Hull from his sickbed sent me the following letter:

MAY 25, 1948.

DEAR MR. McCORMACK: I have your note informing me that the House of Representatives will debate tomorrow the renewal of the Reciprocal Trade Agreements Act. It is my firm belief that the present act as it stands upon the statute books should be renewed for the 3-year period without crippling amendments. The reasons for this conviction are set forth in a statement which I prepared only a short time ago, a copy of which I am making available to you. From the inception of this program, in the enactment of the Reciprocal Trade Agreements Act in 1934, both I and my associates, Democrats and Republicans alike who have supported this program, have kept it entirely free from partisan, political considerations.

That is the letter from Cordell Hull, the fighter of years, speaking to you and me from his sickbed, urging that the present program be continued for 3 years. All we ask is what we gave you my Republican colleagues, on this question. Five different times this bill has been before the House. We always gave to the Republican Party an open rule. That is all we are asking for, nothing more, and we think we are entitled to nothing less. Decency, if nothing else, calls for that, and I rest my case on the ground of decency, that what we have given to the Republican Party in the consideration of this bill on five different occasions we are entitled to on this occasion, so that when the House resolves itself into the Committee of the Whole and it comes to the consideration of this bill under the 5-minute rule, we might have the opportunity under the rules of the House and the Committee of the Whole to offer germane amendments and to have the Committee of the Whole pass upon those amendments. We are asking only that which we gave.

Mr. Speaker, I submit, based not only upon judgment and conscience, but based upon decency we are entitled to that consideration.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remaining time on this side to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I have listened with great interest to the statements of the gentleman from Massachusetts [Mr. McCORMACK] about decency, and I suppose he means we are not being very decent to them in this proposed procedure. Well, I first came to Congress in 1935 and the other side of the aisle gave me a little education on this type of procedure. I just looked up the record.

We had a closed rule on the work relief appropriation bill and the extension of NRA, which was considered one of the great accomplishments of that time. We had a closed rule on the Merchant Marine Act of 1936, and even on the Blue Ridge Parkway. In the Seventy-sixth Congress there was a closed rule on amendments to the Fair Labor Standards Act, and they brought in a closed rule in connection with extension of the Sugar Act. As recent as the last Congress they had us consider the Social Security Act amendments under a closed rule.

I did not mean to be harsh when I said a moment ago, "Let us quit the cry-baby stuff." We all know that this rule is not at all unusual. Everyone understands that we are trying to expedite the business of the House of Representatives. We are going to nominate the next President of the United States in June in Philadelphia. Mark you me, I said June. In July the Democrats are going to nominate somebody who will run but not get to be the next President. Everyone wants the Congress to complete its program as soon as possible, and that is what we are trying to do.

But now, apart from all of this talk about closed rules, what is the true situation? From what has been said here today I conclude that there is no one on the Democratic side of the aisle who has any interest in amending any particular provision of this bill. There may be some such interest on this side, but I think by and large our side of the aisle is pretty well agreed on this proposal. We think the proposal presented here is a good one.

I understand that you gentlemen on the other side of the aisle held a conference, or had some sort of a steering committee meeting, and you did not talk about amending this bill, which we would be doing under a wide open rule. You just met and agreed that you were going to take the administration's proposal without crossing a "t" or dotting an "i." You are for a 3-year extension and nothing else. Now you are going to have a chance to bring that matter to a vote under the motion to recommit. So why try to fool the people and the country about what is going on here? I do not think it comes with very good grace.

Now, what about this bill? As the gentleman from Nebraska has so well

said, it is an extension of the Reciprocal Trade Agreements Act. I have heard some reckless statements made here today, and I have heard some reckless statements made by people who are important in the conduct of the foreign affairs of this country, utterly reckless and irresponsible, when they say they would rather have nothing at all than this extension. Such statements also come with poor grace with respect to a Republican Congress that has cooperated with a Democratic administration and a Democratic Secretary of State in carrying forward the foreign affairs program of this country. I, for one, resent it, and I want, as far as I am concerned, the people to understand that those statements are reckless.

Now then, if you have any question about it, turn to page 2 of the report and you will see there side by side in columns the operation under the present method and the operation under the proposed method. About all that is done in the way of change is that we substitute the Tariff Commission for this Committee for Reciprocity Information, and then provide that the President shall pay some attention in the final negotiations to the recommendations of the Tariff Commission. The Tariff Commission is an independent agency of the Government. The members are appointed by the President, so I assume he has confidence in them. He certainly ought to have confidence in them, and you people on that side of the aisle ought to have confidence in them.

A lot of people in the country thought that the Republican Congress, when we convened here a year ago last January, ought to work over the Reciprocal Trade Agreements Act. That was not done, but there were negotiations made, I guess it is proper to say now, with the State Department, looking to some sort of betterment of the operations for the protection of our own national self-interest, recognizing as we do our responsibility to promote trade in the world. What were those negotiations? Why, they had to do with escape clauses to be written into these agreements. Yes; that had to do with an added responsibility of the Tariff Commission. So, there again, why all this dragging of the red herring across the trail and this attempt to say that this is a complete sabotage of the Reciprocal Trade Agreements Act? It just is not true, and anyone with any understanding ought to know that.

As far as I am concerned, I think this is a good bill. It is probably fair to say that there are some Members on both sides of the aisle, who if they were just voting their individual convictions with no recognition to the fact that all legislation is a matter of compromise, that would not want to extend the Reciprocal Trade Agreements Act at all. Others would like just to throw the door wide open.

I think the Committee on Ways and Means has worked out a fair and effective compromise that will carry forward the idea of true reciprocity, which is what the Republicans adhere to, and doubtless a lot of Democrats also. This

bill will carry forward that sort of program; but, at the same time, it will afford to the people of this country some measure of protection. The little business people in your own districts have just as much right to live as anyone else anyplace in the world. This will give them some measure of protection, this will give them some opportunity to be heard, and it will assure the carrying forward of the program.

One year or three years? What should be the period of extension? Why, you would have us believe that if the act is not extended for 3 years the world is going to come to an end, yet you just extended it for 2 years the last time. What sort of double talk is that? If it is extended for 1 year they will go on to make these agreements. However, some well-informed people have told me that after all this is probably an academic matter, that except for a few loose ends here and there the whole trade-agreement program has been perfected and carried out. They say that there is very little more to be done, if anything. Whether that is true or not, this is an extension for a year, and that ought to be sufficient. I know it is sufficient.

I know that maybe we are a little overzealous in pressing this cause. The previous question is not going to be voted down. This rule will be adopted and we will proceed to the debate on the measure. You will have your motion to recommit, you folks, who, as I say, would not cross a "t" or dot an "i" to what the administration suggests. We have had too much of that sort of legislating in the past. For the first time in a long time the people of this country have a Congress that is responsive to the will of the people and is not taking dictation from the Executive or from the bureaucrats down town or from any pressure group anywhere. This is a Congress that is doing a good job for the American people. We are doing a good job for the American people, yes, and for the world, in this action that is here proposed today. Do not have any fear about it. This proposed bill is sound in every respect.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The SPEAKER. The question is, Shall the previous question be ordered?

The question was taken; and on a division (demanded by Mr. McCORMACK) there were—yeas 154, noes 102.

Mr. McCORMACK. Mr. Speaker, I demand "yeas" and "nays."

The yeas and nays were ordered.

The question was taken; and there were—yeas 212, nays 156, answered "present" 3, not voting 60, as follows:

[Roll No. 79]

YEAS—212

Allen, Calif.	Banta	Bramblett
Allen, Ill.	Barrett	Brehm
Andersen,	Bates, Mass.	Brophy
H. Carl	Beall	Brown, Ohio
Andresen,	Bender	Buck
August H.	Bennett, Mich.	Buffett
Andrews, N. Y.	Bennett, Mo.	Burke
Angell	Bishop	Busbey
Arends	Blackney	Butler
Arnold	Boggs, Del.	Byrnes, Wis.
Auchincloss	Bolton	Canfield
Bakewell	Bradley	Carson

Case, N. J.	Jackson, Calif.	Ploeser
Case, S. Dak.	Jenkins, Ohio	Plumley
Chenoweth	Jenkins, Pa.	Potts
Chilperfield	Jennings	Poulson
Church	Jensen	Ramey
Clason	Johnson, Calif.	Reed, Ill.
Clevenger	Johnson, Ill.	Reed, N. Y.
Coffin	Johnson, Ind.	Reeves
Cole, Mo.	Jones, Wash.	Rich
Cole, N. Y.	Jonkman	Riehman
Corbett	Judd	Rizley
Coudert	Kean	Rockwell
Crawford	Kearney	Rogers, Mass.
Crow	Kearns	Rohrbough
Cunningham	Keating	Ross
Curtis	Keefe	Russell
Dague	Kilburn	Sadlak
Davis, Wis.	Knutson	St. George
Dawson, Utah	Kunkel	Sanborn
Devitt	Latham	Sarbacher
D'Ewart	LeCompte	Schwabe, Mo.
Dondero	LeFevre	Schwabe, Okla.
Eaton	Lemke	Scott, Hardie
Ellis	Lewis, Ky.	Scott,
Ellsworth	Lewis, Ohio	Hugh D., Jr.
Elsaesser	Lichtenwalter	Scrivner
Elston	Lodge	Seely-Brown
Engel, Mich.	Love	Shafer
Fenton	McConnell	Simpson, Ill.
Fletcher	McCowan	Simpson, Pa.
Foot	McCulloch	Smith, Kans.
Fuller	McDonough	Smith, Ohio
Fulton	McDowell	Smith, Wis.
Gallagher	McGarvey	Snyder
Gavin	McGregor	Stefan
Gearhart	McMahon	Stevenson
Gillette	McMillen, Ill.	Stockman
Gillie	Mack	Stratton
Goff	MacKinnon	Sundstrom
Goodwin	Macy	Taber
Graham	Maloney	Talle
Griffiths	Martin, Iowa	Taylor
Gross	Mason	Tibbott
Hagen	Mathews	Tollefson
Hale	Marrow	Towe
Hall	Meyer	Twyman
Edwin Arthur	Michener	Vail
Hall,	Miller, Conn.	Van Zandt
Leonard W.	Miller, Md.	Vorys
Hand	Miller, Nebr.	Vursell
Harness, Ind.	Mitchell	Wadsworth
Harvey	Morton	Weichel
Herter	Muhlenberg	Welch
Heselton	Nicholson	Wigglesworth
Hess	Nixon	Wilson, Ind.
Hill	Nodar	Wolcott
Hinshaw	Norblad	Wolverton
Hoeven	O'Konski	Woodruff
Hoffman	Patterson	Youngblood
Holmes	Phillips, Calif.	
Hope	Phillips, Tenn.	

NAYS—156

Abbitt	Delaney	Jones, Ala.
Abernethy	Dingell	Karsten, Mo.
Albert	Domengeaux	Kee
Allen, La.	Donohue	Kelley
Andrews Ala.	Dorn	Kennedy
Barden	Doughton	Keogh
Bates, Ky.	Douglas	Kerr
Battle	Eberharter	Kirwan
Beckworth	Elliott	Klein
Bland	Evins	Lanham
Blatnik	Fallon	Larcade
Bloom	Felghan	Lea
Boggs, La.	Fernandez	Lesinski
Bonner	Fisher	Lucas
Boykin	Flannagan	Ludlow
Brooks	Fogarty	Lynch
Brown, Ga.	Folger	McCormack
Bryson	Forand	McMillan, S. C.
Buchanan	Garmatz	Madden
Buckley	Gary	Mahon
Burleson	Gathings	Manasco
Byrne, N. Y.	Gordon	Mansfield
Camp	Gore	Marcantonio
Cannon	Gorski	Meade, Md.
Carroll	Gossett	Mills
Celler	Grant, Ala.	Monroney
Chapman	Gregory	Morgan
Chelf	Hardy	Morris
Clark	Harless, Ariz.	Multer
Colmer	Harris	Murdoch
Combs	Harrison	Murray, Tenn.
Cooley	Hart	Norrell
Cooper	Havener	Norton
Courtney	Hays	O'Brien
Cox	Hébert	O'Toole
Cravens	Hedrick	Pace
Crosser	Hobbs	Passman
Davis, Ga.	Huber	Patman
Davis, Tenn.	Isacson	Peden
Deane	Jackson, Wash.	Peterson

Philbin	Rogers, Fla.	Thompson
Pickett	Rooney	Trimble
Poage	Sabath	Vinson
Powell	Sadowski	Walter
Preston	Sasser	Wheeler
Price, Fla.	Sikes	Whitaker
Price, Ill.	Smathers	Whitten
Priest	Smith, Va.	Whittington
Rankin	Spence	Williams
Redden	Stanley	Winstead
Regan	Teague	Wood
Richards	Thomas, Tex.	Worley

ANSWERED "PRESENT"—3

Chadwick	Halleck	Hull
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NOT VOTING—60

Anderson, Calif.	Hollifield	Murray, Wis.
Bell	Horan	O'Hara
Bulwinkle	Jarman	Owens
Clippinger	Javits	Pfeifer
Cole, Kans.	Jenison	Potter
Cotton	Johnson, Okla.	Rains
Dawson, Ill.	Johnson, Tex.	Rayburn
Dirksen	Jones, N. C.	Rees
Dolliver	Kefauver	Riley
Durham	Kersten, Wis.	Rivers
Engle, Calif.	Kilday	Robertson
Fellows	King	Scoblick
Gamble	Landis	Sheppard
Granger	Lane	Short
Grant, Ind.	Lusk	Smith, Maine
Gwinn, N. Y.	Lyle	Somers
Gwynne, Iowa	Meade, Ky.	Stigler
Hartley	Miller, Calif.	Thomas, N. J.
Heffernan	Morrison	West
Hendricks	Mundt	Wilson, Tex.

So the previous question was ordered.
The Clerk announced the following pairs:

On this vote:

Mr. Halleck for, with Mr. Rayburn against.
Mrs. Smith of Maine for, with Mr. King against.
Mr. Thomas of New Jersey for, with Mr. Miller of California against.
Mr. Gamble for, with Mr. Engle of California against.
Mr. Anderson of California for, with Mr. Kefauver against.
Mr. O'Hara for, with Mr. Hollifield against.
Mr. Gwinn of New York for, with Mrs. Lusk against.
Mr. Dolliver for, with Mr. Pfeifer against.
Mr. Potter for, with Mr. Heffernan against.
Mr. Scoblick for, with Mr. Johnson of Oklahoma against.
Mr. Clippinger for, with Mr. Stigler against.
Mr. Gwynne of Iowa for, with Mr. Morrison against.
Mr. Cotton for, with Mr. Rivers against.
Mr. Fellows for, with Mr. Granger against.
Mr. Grant of Indiana for, with Mr. Dawson of Illinois against.
Mr. Jenison for, with Mr. Kilday against.
Mr. Owens for, with Mr. Bell against.
Mr. Hartley for, with Mr. Somers against.
Mr. Meade of Kentucky for, with Mr. Riley against.
Mr. Short for, with Mr. Wilson of Texas against.

General pairs until further notice:

Mr. Cole of Kansas with Mr. Lane.
Mr. Horan with Mr. Lyle.
Mr. Mundt with Mr. Rains.
Mr. Dirksen with Mr. Sheppard.
Mr. Landis with Mr. Durham.

Mr. HALLECK. Mr. Speaker, on this vote I have a pair with the gentleman from Texas, Mr. RAYBURN, who is necessarily detained. If he were present, he would have voted "nay." I voted "yea." I, therefore, withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

Mr. McCORMACK. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 197, nays 166, answered "present" 5, not voting 63, as follows:

[Roll No. 80]

YEAS—197

Allen, Calif.	Gallagher	Morrow
Allen, Ill.	Gavin	Meyer
Andersen, H. Carl	Gearhart	Michener
Andersen, August H.	Gillette	Miller, Md.
Andrews, N. Y.	Gillie	Miller, Nebr.
Angell	Goff	Mitchell
Arends	Goodwin	Muhlenberg
Arnold	Graham	Nicholson
Auchincloss	Griffiths	Nodar
Banta	Gross	Norblad
Barrett	Hagen	O'Konski
Bates, Mass.	Hall	Patterson
Beall	Hall, Edwin Arthur	Phillips, Calif.
Bender	Leonard W.	Phillips, Tenn.
Bennett, Mich.	Harness, Ind.	Ploeser
Bennett, Mo.	Harvey	Plumley
Bishop	Herter	Potts
Blackney	Hess	Ramey
Bolton	Hill	Reed, Ill.
Bradley	Hinshaw	Reed, N. Y.
Bramblett	Hoeven	Rees
Brehm	Hoffman	Reeves
Brophy	Holmes	Rich
Brown, Ohio	Hope	Riehlman
Buck	Horan	Rizley
Buffett	Jackson, Calif.	Rockwell
Burke	Jenkins, Ohio	Rogers, Mass.
Busbey	Jennings	Rohrbough
Butler	Jensen	Ross
Byrnes, Wis.	Johnson, Calif.	Russell
Canfield	Johnson, Ill.	Sadlak
Carson	Johnson, Ind.	St. George
Case, S. Dak.	Jones, Wash.	Sanborn
Chenoweth	Jonkman	Sarbacher
Chiperfield	Kean	Schwabe, Mo.
Church	Kearney	Schwabe, Okla.
Clason	Kearns	Scott, Hardie
Clevenger	Keefe	Scrivner
Coffin	Kilburn	Seely-Brown
Cole, Mo.	Knutson	Shafer
Cole, N. Y.	Kunkel	Simpson, Ill.
Corbett	Latham	Simpson, Pa.
Coudert	Lea	Smith, Kans.
Crawford	LeCompte	Smith, Ohio
Crow	LeFevre	Smith, Wis.
Cunningham	Lemke	Snyder
Curtis	Lewis, Ky.	Stevenson
Dague	Lewis, Ohio	Stockman
Davis, Wis.	Lichtenwalter	Stratton
Dawson, Utah	Love	Sundstrom
D'Ewart	McConnell	Taber
Dondero	McCowan	Talle
Eaton	McCulloch	Taylor
Elliott	McDonough	Tibbott
Ellis	McDowell	Tollefson
Ellsworth	McGarvey	Towe
Elsaesser	McGregor	Twyman
Elston	McMahon	Vail
Engel, Mich.	McMillen, Ill.	Van Zandt
Fenton	Mack	Vursell
Fletcher	MacKinnon	Wadsworth
Foot	Macy	Welch
Fuller	Maloney	Wigglesworth
Fulton	Martin, Iowa	Wilson, Ind.
	Mason	Wolcott
	Mathews	Wolverton
		Woodruff

NAYS—166

Abbitt	Clark	Folger
Abernethy	Colmer	Forand
Albert	Combs	Garmatz
Allen, La.	Cooley	Gary
Andrews, Ala.	Cooper	Gathings
Bakewell	Courtney	Gordon
Barden	Cox	Gore
Bates, Ky.	Cravens	Gorski
Battle	Crosser	Gossett
Beckworth	Davis, Ga.	Granger
Bland	Davis, Tenn.	Grant, Ala.
Blatnik	Deane	Gregory
Bloom	Delaney	Hale
Boggs, La.	Devitt	Hand
Bonner	Dingell	Hardy
Brooks	Domengeaux	Harless, Ariz.
Brown, Ga.	Donohue	Harris
Bryson	Dorn	Harrison
Buchanan	Doughton	Hart
Buckley	Douglas	Havenner
Byrne, N. Y.	Durham	Hays
Camp	Eberharter	Hedrick
Cannon	Evins	Hendricks
Carroll	Feighan	Heseltan
Case, N. J.	Fernandez	Hobbs
Celler	Fisher	Huber
Chapman	Flannagan	Isacson
Chelf	Fogarty	Jackson, Wash.

Jarman	Mills	Regan
Jones, Ala.	Monroney	Richards
Judd	Morgan	Rogers, Fla.
Karsten, Mo.	Morris	Rooney
Keating	Morton	Sabath
Kee	Multer	Sadowski
Kelley	Murdock	Sasser
Kennedy	Murray, Tenn.	Sikes
Keogh	Norrell	Smathers
Kerr	Norton	Smith, Va.
Kirwan	O'Brien	Spence
Klein	O'Toole	Stanley
Lanham	Pace	Teague
Larcade	Passman	Thomas, Tex.
Lesinski	Patman	Thompson
Lodge	Peden	Trimble
Lucas	Peterson	Vinson
Ludlow	Philbin	Walter
Lynch	Pickett	Weichel
McCormack	Poage	Wheeler
McMillan, S. C.	Powell	Whitten
Madden	Preston	Whittington
Mahon	Price, Fla.	Williams
Manasco	Price, Ill.	Winstead
Mansfield	Priest	Wood
Marcantonio	Rains	Worley
Meade, Md.	Rankin	
Miller, Conn.	Redden	

ANSWERED "PRESENT"—5

Chadwick	Hull	Vorys
Halleck	Jenkins, Pa.	

NOT VOTING—63

Anderson, Calif.	Javits	Potter
Bell	Jenison	Poulson
Boykin	Johnson, Okla.	Rayburn
Bulwinkle	Johnson, Tex.	Riley
Burleson	Jones, N. C.	Rivers
Clippinger	Kefauver	Robertson
Cole, Kans.	Kersten, Wis.	Scoblick
Cotton	Kilday	Scott
Dawson, Ill.	King	Hugh D., Jr.
Dirksen	Landis	Sheppard
Dolliver	Lane	Short
Engle, Calif.	Lusk	Smith, Maine
Fallon	Lyle	Somers
Fellows	Meade, Ky.	Stefan
Gamble	Miller, Calif.	Stigler
Grant, Ind.	Morrison	Thomas, N. J.
Gwinn, N. Y.	Mundt	West
Gwynne, Iowa	Murray, Wis.	Whitaker
Hartley	Nixon	Wilson, Tex.
Hebert	O'Hara	Youngblood
Heffernan	Owens	
Hollifield	Pfeifer	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Halleck for, with Mr. Rayburn against.
Mrs. Smith of Maine for, with Mr. King against.
Mr. Thomas of New Jersey for, with Mr. Miller of California against.
Mr. Cotton for, with Mr. Engle of California against.
Mr. Gamble for, with Mr. Kefauver against.
Mr. O'Hara for, with Mr. Hollifield against.
Mr. Potter for, with Mr. Vorys against.
Mr. Gwinn of New York for, with Mr. Pfeifer against.
Mr. Anderson of California for, with Mr. Heffernan against.
Mr. Gwynne of Iowa for, with Mrs. Lusk against.
Mr. Hugh D. Scott, Jr., for, with Mr. Morrison against.
Mr. Grant of Indiana for, with Mr. Burleson against.
Mr. Fellows for, with Mr. Fallon against.
Mr. Dolliver for, with Mr. Somers against.
Mr. Owens for, with Mr. Stigler against.
Mr. Scoblick for, with Mr. Riley against.
Mr. Short for, with Mr. Rivers against.
Mr. Jenison for, with Mr. Johnson of Oklahoma against.
Mr. Hartley for, with Mr. Bell against.
Mr. Clippinger for, with Mr. Sheppard against.
Mr. Meade of Kentucky for, with Mr. Whitaker against.

Additional general pairs:

Mr. Dirksen with Mr. Lyle.
Mr. Meyer with Mr. Boykin.
Mr. Mundt with Mr. Lane.

Mr. Nixon with Mr. Bulwinkle.
Mr. Youngblood with Mr. Dawson of Illinois.

Mr. Stefan with Mr. Hébert.
Mr. Cole of Kansas with Mr. Kilday.

Mr. VORYS. Mr. Speaker, I have a live pair with the gentleman from Michigan, Mr. POTTER. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. HALLECK. Mr. Speaker, on this vote I have a pair with the gentleman from Texas, Mr. RAYBURN, who is unavoidably detained. If he were present he would have voted "nay." I voted "yea." I therefore withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

EXTENSION OF REMARKS

Mr. THOMAS of New Jersey (at the request of Mr. McDOWELL) was given permission to extend his remarks in the RECORD on the occasion of the tenth anniversary of the Committee on Un-American Activities.

FOREIGN-TRADE AGREEMENTS

Mr. WOODRUFF. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6556) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6556, with Mr. COLE of New York in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOODRUFF. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Chairman, after conducting what must be regarded as the most painstaking investigation into the administration and operations of the Trade Agreements Act, an investigation which extended over 7 weeks of open public hearings, to which everyone interested was invited and at which every interested person in the United States who desired to be heard was heard, and 6 days of intensive executive sessions with the advice and guidance of acknowledged experts on foreign trade, the Committee on Ways and Means has presented to this Congress this bill we have under consideration, a bill for the extension of the trade agreements program, with certain definite, constructive, and improving amendments, devised in the light of 14 years' experience in the administration of the Trade Agreements Act.

In my years of membership in this body, my attention has never been called to a more careful study of a legislative subject under investigation by any legislative committee of the Congress. I feel confident, in tendering this bill to the Congress and to the American people, we are offering a legislative procedure governing the execution of trade agreements which will result in better agreements

and a more enthusiastic support of the program during the days that lie ahead. The first, and one of the most important consequences of the enactment of this bill will be the removal of the program from the sphere of partisanship under which it has been manipulated down through the years and convert it into a nonpartisan American procedure. That is very important.

The Republican Party, sacrificing its views in many, many instances, has given its support to the administration in its foreign policy. In the main, they have gone along hand in hand with the administration, accepting administration leadership adjourning politics at the water's edge as we have faced the outside world. I am sorry the administration did not see fit to reciprocate just a little and go along with the Members of Congress who have presented these constructive amendments. But for reasons of their own, the administration has chosen to demand the extension of the program for 3 years without the dotting of an "i" or the crossing of a "t." Certainly, almost anyone will agree that in 14 years of administration of any act, imperfections will be revealed, imperfections which will require the application of the amendatory process.

After 14 years painstaking study of the program we have become convinced that imperfections have been revealed which require the attention of the Congress. One of these imperfections which has been revealed in a flagrant way is to be found in the operations of the Committee on Reciprocity Information, which is the committee which, under the President's executive order, is charged with the responsibility of conducting public hearings upon a contemplated trade agreement which is about to be negotiated. The Committee on Reciprocity Information is a nonscientific, nontechnical, nonexpert body composed of representatives of various executive agencies of the Government. In the performance of this function this Committee on Reciprocity Information has never had a permanent personnel. At hearings conducted on the trade agreements program different faces have successively appeared, only to serve temporarily, and, according to rumors supported substantially by statements of those who know whereof they speak, that committee has never done anything other than to exhibit itself, sit at the bench, look wise, and listen to expressions, or pretend to, from representatives of American business, agriculture, industry and labor.

So far as is known, the testimony taken before that committee has never been written up. In my personal experience, under permission to revise and extend the remarks made before that committee, I have never been able to get my hands upon a stenographic transcript of my testimony. Repeated requests have always met with the same answer: "It has not been transcribed as yet."

Former Members of this strange aggregation who have served as members of this committee, Members who are now in retirement from public service, have assured me that they were never under any direction other than to appear at the

hearings and to sit upon the bench; that they were never asked for any advice; that they never gave any advice; that they were never asked to offer any recommendations, not even to prepare a report. I think that such a procedure is a cruel travesty, a sad commentary upon the whole program. It is a cruelty inflicted upon every conscientious American businessman, every representative of labor, every representative of agriculture who has laid aside his personal pursuits and journeyed to Washington to present the case for his principal in the belief that that which he would have to say would receive the sympathetic consideration of a competent and responsible official of his Government, this in the hope that he might win by his presentation some concessions for the industry whose case he pleaded.

So, what did the Ways and Means Committee do to correct this pious fraud? Regarding the Committee on Reciprocity Information's irresponsibility as an imperfection in the program, we merely suggest in this bill that for the irresponsible Committee on Reciprocity Information, an impartial, nonpartisan, independent, scientific, technical organization of experts known as the Tariff Commission be substituted.

The United States Tariff Commission has the confidence of the American people. Regardless of party, regardless of political philosophy, during the years of its existence the Tariff Commission has been praised by everyone who knows anything about its operations as an organization that knows what it is doing; that it performs its functions in a thoroughly disinterested and purely professional way. So, is it not better, is it not an improvement, to offer the Tariff Commission as a substitute for this now thoroughly discredited Committee on Reciprocity Information? It is a constructive amendment which the American people will accept when they understand it and observe its operation with enthusiastic approval; of this I am most certain. When orators paint the wonderful word picture of the success of this program, real and imaginary, let me point out, as the iconoclast that I am, that there are many people who have raised their voices in bitter criticism of the trade-agreements program and its administration. There are certain American industries that have been very seriously injured in the carrying on of their businesses, the promotion of agriculture, and the protection of labor's right to work.

Some industries which were once very important in the American scheme of things, because of the unwise tariff treatment, are today practically nonexistent, this insofar as the business they were carrying on when the trade-agreements program was enacted is concerned.

I call your attention to the jewel-watch industry in the United States. There were in 1934 22 great jewel-watch manufacturers in the United States who were in that day supplying the American market with 79 percent of its requirements. Today, there are only three American jewel-watch manufacturers left, and they are supplying the American market with only 7 percent of the jewel watches that

this country requires. That is what can happen to an American industry that is not so fortunate as to employ the favor of those who make these agreements.

I might go on and tell you the story of wool and the story of chinaware and the story of glassware, shoes, and pottery; stories of innumerable American industries which have substantially suffered as a consequence of the blind slashing of the tariffs, the acceleration of imports which followed.

Because of this oft-demonstrated lack of understanding of their job, the certain consequences of their blind slashing of tariff walls those people who are being injured because of unwise treatment of the tariff affecting their respective industries should have the protection of a scientific body, a technical body of experts, experts who can comprehend what figures reflect and what statistics mean; scientists who can define a realm of safety in which they can operate their businesses with a reasonable sense of security.

So, we are suggesting that the Tariff Commission shall not only conduct public hearings and listen attentively and sympathetically to the American people as they present their respective cases but that, after it has completed its public hearings, it shall go on and make a technical study of the various problems presented in the light of the evidence taken at those hearings, including the technical testimony of the experts, both those of the Commission's staff and those who appear to testify in behalf of private industry, agriculture, and American labor. It is not only an economic balance of imports and exports which we all are seeking, but a deeper concern for the national defense of our country which we would promote. Any further blind cuts in tariffs which would depress, perhaps destroy, such strategic industries as the wool industry, must be prevented lest our country, as the Bard of Avon recites, be left naked unto its enemies. Without an accessible supply of wool, a third world war would find us helpless in a conflict of long duration. A subsidy for our wool-growers in the place of a tariff may save the wool-growers from financial destruction but not serve the cause of national defense; neither will the shifting of tariff duties from the shoulders of importers to those of the taxpayers help out in the long run. That is another consequence which the Tariff Commission would consider.

People say that we have become a Nation of such high tariff laws that all the rest of the world is worried about it. Just let me give you some figures to prove how untrue that is. The United Kingdom, which is composed of England, Scotland, Northern Ireland, and Wales, collects \$3,164,000,000 from its customs; and when you consider that colossal figure bear in mind that England has only one-third of the population of the United States. The United States, a country with three times the population of England, collects only \$494,000,000 from customs. In England they collect in customs \$64.16 per capita. In the United States, in this country which is supposed to have prohibitive tariffs, we collect only

\$3.41 per capita. This simple recitation ought to be very illuminating to the American people when they consider whether or not the State Department, acting in the name of the President, has been technical, and scientific in the slashing of the tariffs during the course of the 14 years of administration of the Trade Agreements Act.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WOODRUFF. Mr. Chairman, I yield three additional minutes to the gentleman from California.

Mr. GEARHART. Mr. Chairman, this bill is not a bill containing crippling amendments. Whenever the proponents of extension, without the dotting of an "i" or the crossing of a "t," attack the bill on that ground you can rest assured that they have no reasons which they can cite why the bill is bad. If there were any sound reasons why this bill should not be enacted they would be cited, argued over and over again, and the smear word "crippling" would never be uttered. Because there is no real reason why the bill is bad, all we hear from the critics of the measure is that it is a crippling amendment which, if adopted, will, in some way, render the enforcement of the Trade Agreements Act impossible. So I inquire, Mr. Chairman, whom and how would it cripple? Would it cripple the program to substitute scientific tariff making for nonexpert bungling? Would it cripple the program to substitute business considerations for diplomatic trades? Why all the secrecy? Is it not time for someone to point out what is crippling about the Gearhart bill?

Everybody has confidence in the Tariff Commission; very few people who know anything about it have any confidence at all in the Committee for Reciprocity Information. So in substituting the Tariff Commission, an independent, impartial, nonpartisan agency trusted by everybody of all political persuasions, we are substituting a commission which will bring great prestige to our international trade negotiations, a prestige which it has conspicuously lacked in the days gone by. This commission then has an additional responsibility to perform under the bill and that is to fix the field in which the President can safely negotiate, a ceiling, so to speak, over which he cannot raise the tariff without injury to domestic economy or impairing the national defense, and a floor below which he cannot slash a tariff schedule without endangering domestic economy or impairing the national defense. Within that range the President will have a large, wide latitude in which to negotiate and conclude agreements.

If, however, the President believes the Tariff Commission is wrong, and he desires to fix a tariff schedule in an agreement above or below the limits fixed by the Tariff Commission he may still do so. He is free to disregard the Tariff Commission's recommendations if he wants to. But if he does, then it becomes the duty of the Congress to decide whether the President is right or the Tariff Commission, our legislative right arm, is right. It will make that decision by following the procedure of the re-

organization act that has worked so well since its adoption several years ago.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I am pleased to yield to the distinguished gentleman from Michigan, chairman of the House Judiciary Committee.

Mr. MICHENER. At the risk of repetition but because it is very important to some of us here, will the gentleman state briefly just what the Committee on Reciprocity Information is, who constitutes it, how it is set up, how it operates, and to whom it reports. This bill substitutes the Tariff Commission for this committee. We all know what the tariff is.

Mr. GEARHART. The Trade Agreements Act does not set up very much in detail. It merely says that whenever the President believes he can expand American opportunities in foreign markets he shall have the right to enter into trade agreements to achieve that objective, and in the pursuit thereof may grant corresponding concessions in the American market, all this for the purpose of improving our national trade relations. That is practically all the act lays down. There are lots of other limitations in the Trade Agreements Act that are not so important. So it became necessary for the President to issue an Executive order setting up the machinery for the consummation of these agreements. He did, under Executive order, set up a negotiating committee called the Trade Agreements Committee. It has various subcommittees, for instance a Committee on Countries, a Committee on Items, a Committee on Rates; many subcommittees of that kind. Though I cannot call attention to it with any enthusiasm, the Executive order also sets up another committee, one called the Committee on Reciprocity Information, which is charged with the duty of holding public hearings and listening to such complaints or criticisms as the American people desire to present. This committee, in my estimation, is nothing more nor less than a Punch and Judy show. It makes no report, it offers no recommendations, it is not consulted by any other Trade Agreements Agency, least of all the agreement negotiators. The Committee on Trade Agreements, with a gay abandon and complete disregard of the Committee on Reciprocity Information, proceeds to its negotiations with foreign powers as if the CRI did not exist, eventually working out its trade agreements in its own non-technical, nonscientific, diplomatic way.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The gentleman from Michigan asked who were on this committee.

Mr. GEARHART. The Committee on Reciprocity Information?

Mr. KNUTSON. A representative of the State Department, a representative of the Department of Agriculture and several others.

Mr. GEARHART. Representatives of the Departments of State, Commerce, Treasury, Agriculture, and one repre-

sentative of the Tariff Commission but those members are not permanent in nature. There is no continuity of service. New faces appear at every succeeding hearing. There is no use pretending otherwise—this committee is just so much window dressing, nothing more. Their very existence, their petty pretensions are a continuing insult to the intelligence of the American people. The transfer of their theoretical functions to the practical, scientific worded Tariff Commission is the best feature of the Gearhart bill. Mr. Chairman, I urge its adoption.

The CHAIRMAN. The time of the gentleman from California has expired.

(Mr. DOUGHTON asked and was given permission to revise and extend his remarks.)

Mr. DOUGHTON. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman and members of the committee. I listened with much interest to the address delivered by my good friend the gentleman from California [Mr. GEARHART], chairman of the subcommittee, regarding the bill that is now before us for consideration. I have, of course, profound respect for his opinion and his views, but I regret that I am not in accord with his conclusions or his views touching this most important matter. I would not mislead anyone under any circumstances, but the truth is that I try not to be an extremist on any subject or on any occasion, especially on the subject of reciprocity. The gentleman from California has alleged again and again that some of us are so extreme that we would not concede anything, or would not agree to any compromise that we would not change the crossing of a "t" or the dotting of an "i." I believe the present reciprocal trade program has justified itself, and that it is the most practical, feasible, and successful method that has ever been devised for dealing with tariffs and foreign trade. However, I realize that we are in the minority, and if we cannot get what we want, we will be glad to take less if it is something that we can take, but we do not want to be told that we must take stone when what we ask for is bread.

Now, I believe that the title of this bill is a misnomer, and I think if the first three letters were eliminated from the title it would be an appropriate title. The title reads, "To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes." If it would read "To end the authority of the President under section 350," and so forth, why I think it would be more accurate. But as presently stated, I think it is a misleading title, because I think the practical effect of it will be the death knell of the Reciprocal Trade Agreements Act.

I have respect for the Tariff Commission, but I should like to ask somebody to tell me under the old method what weight and consideration was given to the Tariff Commission when the Smoot-Hawley Tariff Act was written. It was just as much in existence then as it is now. It advised the Congress and the party in power and the country to write

a different tariff bill than the Smoot-Hawley bill, and why were its views not followed then? I do not understand why they were not.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to my friend the distinguished chairman of our committee. He is one of my best friends. I cannot always agree with him about everything, but the gentleman always interests me, although he may not convince me.

Mr. KNUTSON. The gentleman is always both edifying and informative, but he is also quite partisan at times. Will the gentleman tell the House why his party has not lived up to the promise they made in 1932 to repeal the Hawley-Smoot Act? You have had 16 years to do it in. Now, why have you not done it? Tell the country why.

Mr. DOUGHTON. Why has not the gentleman's party kept all the promises it has ever made in its platforms?

Mr. KNUTSON. I was asking the gentleman to tell the country why you have not lived up to your promise to repeal the Smoot-Hawley Act.

Mr. DOUGHTON. We adopted a better method—the reciprocal-trade program. We learn something from experience, but the gentleman and his party never seems to forget anything. The gentleman is a devoted apostle of protection.

Mr. KNUTSON. I thank the gentleman for that fine compliment.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Tennessee.

Mr. COOPER. The gentleman and those who think like him have been complaining and charging in other years that the reciprocal-trade agreements program did repeal the Smoot-Hawley Tariff Act.

Mr. DOUGHTON. Mr. Chairman, we do not have time to debate the merits of this bill. The time is too short. They would not give us time to consider it in committee and now we do not have time to properly discuss it on the floor and do not have an opportunity to offer amendments. They say it is just a question of the extension of the present law. I want to say to you that if you had brought this in under an open rule, some Members from your own side might have offered some convincing, constructive, remedial, and helpful amendments.

Mr. Chairman, I introduced the first bill and opened the debate on the original Trade Agreements Act in 1934. This is the fifth time I have taken the floor on the extension of this act. Being a member of the minority at this time does not lessen my concern for the reciprocal trade program.

I regret that I am unable to give my support to the pending bill for the reasons that I shall try to state as briefly as possible.

The author of this bill has been opposed to the reciprocal trade-agreements program since its inception in 1934. In fact, not once in 1934, 1937, 1940, 1943, or 1945, if I am not mistaken, has any

of the six ranking majority members of the Committee on Ways and Means voted for it.

For the gentleman from California, therefore, to sponsor a bill to extend the reciprocal trade program is like an unbeliever trying to revise the Bible. The opponents of the present law fear adverse public reaction if they kill the Trade Agreements Act with a single electric shock by refusing to extend it in any form. They have found it expedient to accomplish the same result with an overdose of chloroform.

The question before the House, as I see it, is twofold: Whether the Congress desires to continue in effect a policy which has been the keystone of our foreign economic relation for the past 14 years and which has proven itself as a fair, flexible, and feasible and successful method of dealing with tariff problems; or whether it will substitute the bill now under consideration which, in my opinion, would sabotage and nullify the trade agreements program.

I. PURPOSES OF RECIPROCAL TRADE PROGRAM

On March 2, 1934, President Roosevelt sent to the Congress a request for authority to enter into executive commercial agreements with foreign nations. He referred to the startling decline in the world trade which had meant "idle hands, still machines, ships tied to their docks, despairing farm households and hungry industrial families. It has made infinitely more difficult the planning for economic readjustment in which the Government is now engaged." Much of the responsibility for the decline in the foreign trade of the United States was attributable to the almost insurmountable tariff barriers in the Hawley-Smoot tariff Act of 1930 and its counterpart, or retaliatory tariffs by foreign countries.

Congress responded promptly to the President's request for early action by sending to him on June 7, 1934, the Reciprocal Trade Agreements Act, giving him the authority to enter into foreign trade agreements "for the purpose of expanding foreign markets for the products of the United States, as a means of assisting in the present emergency and restoring the American standard of living, and overcoming domestic unemployment, and the present economic depression, in increasing the purchasing power of the American public, and in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce."

II. ACCOMPLISHMENTS OF THE RECIPROCAL TRADE PROGRAM

Prior to October 30, 1947, mutually beneficial trade agreements had been concluded between the United States and 29 foreign countries. We find that before World War II and its dislocation of world trade, the trade-agreements program had made important strides toward the expansion of our foreign trade with trade-agreement countries. The annual averages for the 2 years 1938-39, as compared with the 2 years 1934-35, indicate that United States exports to trade-agreement countries increased 63 percent as against an increase of only 32

percent to nonagreement countries. United States imports increased 27 percent from agreement countries, as against an increase of only 12½ percent in imports from nonagreement countries. Total United States foreign trade averaged 30 percent higher in the latter period than in the former.

The recent report of the United States Tariff Commission on the operation of the trade-agreements program also lends support to this conclusion. In terms of annual dutiable imports for all of the principal agreement countries, except Cuba, the average was 85 percent greater in 1937-38 than in 1932 to 1934. The increase for all other countries was 78 percent. With respect to United States exports, the Tariff Commission data show that the increase for the principal trade-agreement countries was materially greater than that for nonagreement countries—93 percent as compared with 71 percent. I maintain, therefore, that the Reciprocal Trade Act played a major part in our prewar economic recovery. It is also significant that we did not go to war against a single nation with which a trade agreement had been concluded. Although domestic unemployment and economic depression are not now problems, we must recognize the long-range dependence of the United States on foreign markets. We normally export dried fruits, wheat, leather, cotton, tobacco, industrial machinery, automobiles, and many other products of a mass-production economy. Of course, other countries can continue to buy only if they can sell to us products that we need. The avenue of foreign trade must be a two-way street.

The President, therefore, is on firm ground in saying that "the importance of the act is greater today than it has ever been." Certainly it would be foolish to lend our assistance to rebuilding the war-torn countries, only to nullify our efforts by erecting and maintaining barriers to world trade. The United States must continue its leadership in world economic affairs through effective exercise of the reciprocal trade authority, if it is to do so at all.

III. PROCEDURES UNDER PRESENT LAW AND UNDER H. R. 6556 COMPARED

The bill under consideration purports to extend the reciprocal trade authority of the President for 1 year. In reality, this authority would be meaningless, for lack of time if for no other reason. The basic policy and procedure of the program would be drastically changed.

The present law emphasizes broad national purposes in the expansion of our foreign trade. American producers are protected, however, by insertion of an escape clause in trade agreements under which the United States is free to withdraw a concession if it results in causing or threatening serious injury to any domestic business or industry. This policy would be abandoned in the present bill for one that fails to recognize the practical impossibility of determining in advance of actual experience the minimum rate of tariff required in every instance to prevent dislocation of American industry. Under the Gearhart bill, therefore, the broad national interest is

subordinated to the maintenance of an advance guaranty to a few domestic producers. Much as I should deplore to see the present reciprocal trade program ended, this would be better, in my opinion, than to accept for only 1 year a counterfeit and sham that cannot work. I shall briefly compare the present law with the pending bill:

First. Under existing law, an interdepartmental committee on trade agreements acts as the agency through which the President seeks information and advice before negotiating a trade agreement. The over-all interest of American industry, labor, and farmers, and American military, financial and foreign policy are represented on the Trade Agreements Committee by a member of the Tariff Commission and by persons designated by the Secretaries of State, Treasury, War, Navy, Agriculture, Commerce, and Labor. The information and advice submitted to the Trade Agreements Committee are derived from three principal sources:

(a) Interested persons, including of course domestic producers, may either submit statements or briefs or appear at public hearings.

(b) The Tariff Commission makes a study of the imports and the effect of possible concessions.

(c) The Department of Commerce makes a similar study with respect to each export item, which considered for inclusion in a trade agreement. The Trade Agreements Committee then makes its recommendations to the President, who makes the final decision respecting the items included for negotiation and the extent of concessions to be offered. If any member of the Trade Agreements Committee dissents, the President is provided with a full report giving the reasons for the dissent.

The foregoing procedure provides an adequate opportunity for all interested parties to be heard before a trade agreement is negotiated. I heard of no complaint in the volumes of hearings of the Committee on Ways and Means, that interested parties have been denied courteous and impartial treatment. The interest of specific producers is balanced against and considered along with the over-all interest first of the general public, then of industry, labor, and agriculture and our military, financial, and foreign policies.

Under the pending bill however, primary consideration is given to a small segment of domestic producers. No foreign trade agreement could be entered into until the Tariff Commission reports to the President its findings as to the so-called peril-point below which tariffs may not be cut on any article; the extent to which additional tariffs may be imposed; or the maximum periods for which a tariff rate on an article may be bound at existing rates or on the free list.

Second. The Tariff Commission under the pending bill would not consider the benefit to domestic procedures from any possible concessions from foreign countries. The procedure is suggestive of "horse-swapping" without seeing the other fellow's horse. In addition to the

one-sided emphasis in favor of a few domestic producers and against the overall national self-interest, the proposed procedure raises the following procedural questions, which I call upon my colleagues on the other side of the aisle to answer:

(a) Does the Tariff Commission, as now constituted, have a sufficiently large number of qualified personnel to undertake the responsibilities which would be imposed by H. R. 6556? According to the most recent annual report of the Tariff Commission, "a larger staff is essential if the Commission is to continue to fulfill adequately and promptly the duties already laid upon it by existing law."

(b) How long would it take the Tariff Commission, as now constituted, to conduct public hearings, make the findings required by section 2 of H. R. 6556, and report to the President on the average number of articles contained in a bilateral trade agreement—or in a multilateral agreement like the one recently negotiated at Geneva?

(c) What would happen in the event the Tariff Commission, composed of six members—three Democrats and three Republicans—was equally divided, or had three or more minority views, respecting the findings required by section 2 of the bill? Or for some reason or other was unable to make such findings? The Chairman of the Tariff Commission, in response to my inquiry, gave me his personal views and offhand interpretation "that if the Commission should divide three to three on an article, no concession could be made on that article, whatever power the President might hold regarding it. The same result apparently would occur if three commissioners held one view and each of the other three commissioners held views differing from the three and differing from each other, or if for any other reason the Commission was not able to make a finding."

(d) Does the bill contemplate that the Tariff Commission would be required under H. R. 6556 to conduct extensive costs of production studies, not only of domestic but foreign producers as well?

I have raised these obvious questions in order to point out how utterly impossible it is that any new trade agreements could be negotiated within the 1-year extension so grudgingly granted by H. R. 6556.

The proponents have the burden of answering those questions in order for the Congress, the people of the United States, and representatives of foreign nations to accept this legislation in lieu of the present law.

Mr. Chairman, the letter dated May 17, 1948, from Hon. Oscar B. Ryder, Chairman, United States Tariff Commission, which I will insert in the Record, indicates very clearly, in my opinion, the doubts, complexities, confusion, and delay that would beset and stifle the reciprocal-trade program if the pending legislation were enacted.

Third. If the President enters into a trade agreement which goes beyond the recommendation of the Tariff Commission, he would be required to transmit

such an agreement to the Congress for veto within a 60-day period by a concurrent resolution of the two Houses. If Congress is not in session, then approval will have to wait. The Committee on Ways and Means and the Committee on Finance would have the job of considering not only the tariff rates upon the article in disagreement between the President and the Tariff Commission, but also the rates upon all other articles included in the trade agreement. All of the domestic producers of all of the articles upon which reduction in tariff rates are made in a trade agreement would descend upon the Congress like the swarms of the tariff lobbies of 1930.

Fourth. Under the pending bill, no member of the Tariff Commission or of its staff could assist in the actual negotiation of a trade agreement, which would deprive the President of assistance of competent, trusted officers in negotiating the best bargain for the United States. Likewise, placing upon the Tariff Commission the sole responsibility for determining limits below which a cut may not be made without threatening injury to a domestic producers, or impairing the national defense, deprives other Government agencies of the opportunity to exercise the influence which their responsibilities and knowledge of the subjects would seem to justify. The Tariff Commission's judgment, for example, should not be preeminent in the field of agriculture over that of the Department of Agriculture or in the field of national defense over that of the Military Establishment.

Fifth. Perhaps as much as any other provision, section 5 of H. R. 6556 suggests a basic change in policy. Under existing law no tariff rate may be increased or decreased under a trade agreement by more than 50 percent of any rate of duty existing on January 1, 1945, but this bill would authorize the increase of any rate of duty by as much as 50 percent of any rate existing on June 12, 1934, which seems an authorization to increase Smoot-Hawley rates, the highest in history, by 50 percent. This seems to be a definite return toward Smoot-Hawleyism and the stagnation of trade and commerce.

IV. STRONG PUBLIC SUPPORT FOR HOUSE JOINT RESOLUTION 335 FOR EXTENSION OF RECIPROCAL TRADE ACT FOR 3 YEARS WITHOUT AMENDMENT

Whatever this Congress may do, it is demonstrably clear that the overwhelming desire of the American people is to continue unimpaired the reciprocal trade program. They seem to appreciate and understand—

First. Secretary of State Marshall's warning that "any serious weakening of the Trade Agreements Act at this critical period in world affairs would almost certainly be regarded by other countries not only as a surrender of our leadership in the international economic field, but as a repudiation of much that has been accomplished under our leadership in that field."

Mr. Chairman, I shall read into the Record a letter dated May 21, 1948, addressed by me to the Secretary of State and the reply by the Secretary dated May 24, 1948, on the question whether the

best interests of the Nation would be better served if the Reciprocal Trade Agreements Act were permitted to expire than for H. R. 6556 to be enacted in its present form:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 21, 1948.

HON. GEORGE C. MARSHALL,
Secretary of State, State Department,
Washington, D. C.

MY DEAR MR. SECRETARY: As you know, H. R. 6556, which provides for an extension of the Trade Agreements Act for 1 year, makes drastic changes in the procedure for negotiation of reciprocal trade agreements.

In your opinion, in view of the scope of the proposed changes, would the best interests of the Nation be better served if the Reciprocal Trade Agreements Act were permitted to expire than for H. R. 6556 to be enacted in its present form?

Your expeditious reply to this inquiry will be of great value to, and much appreciated by the minority Members in their consideration of the bill in the House of Representatives. It is now contemplated that the bill will be debated in the House on Wednesday, May 26, 1948.

With expressions of high esteem, I am
Sincerely yours,

R. L. DOUGHTON.

THE SECRETARY OF STATE,
Washington, May 24, 1948.

The Honorable ROBERT L. DOUGHTON,
House of Representatives

DEAR MR. DOUGHTON: I have your letter of May 21 asking my opinion whether our national interests would be better served by permitting the expiration of the Trade Agreements Act than by the passage of H. R. 6556 with its drastic changes in procedure.

The trade agreements program has been a cornerstone of our foreign economic policy for 14 years. Through it we have exercised a significant part of our leadership in world economic affairs.

The principle of the trade agreements program is incorporated in the European Cooperation Act of 1948. The present Congress so provided because it recognized that European recovery waits upon a great expansion in European production for which there must be markets and that markets in turn wait upon a lowering of barriers to trade among the European countries and between such countries and other nations.

Although H. R. 6556 extends the Trade Agreements Act for 1 year, it does so with such crippling amendments that only a shadow of the original act is preserved while its substance is destroyed.

H. R. 6556 provides for a cumbersome procedure which would involve interminable delays and serious questions of responsibility.

It substitutes a single agency—Tariff Commission—for the present Trade Agreements Committee composed of representatives of seven Government agencies all directly interested in the tariff, as the body responsible for investigation and recommendation to the President.

Most serious of all it, in effect, makes pure protection the sole criterion for tariff action and forbids the Tariff Commission from participating in the deliberations of the Trade Agreements Committee, in which, under the present system, other important aspects of the national interest are also taken into account.

In my judgment enactment of H. R. 6556 would make the reciprocal trade agreements program unworkable.

Under the circumstances I think our national interests would be better served to permit the Trade Agreements Act to expire than for H. R. 6556 to be enacted. But it is my earnest hope that this Congress will extend the Reciprocal Trade Agreements Act for 3

years without the proposed crippling amendments.

Faithfully yours,

G. C. MARSHALL.

Second. Secretary of Defense Forrestal's advice that renewal of the Reciprocal Trade Agreements Act "is in the interest of our national security, both in the immediate and in the long-term sense." And the statement prepared by the Munitions Board that—

In war, the safety of the Nation is dependent on an industrial capacity, great enough in size and of the appropriate type, that can be mobilized quickly and effectively for the production of supplies and equipment needed by the armed forces. The trade agreement program places in the Nation's hands a flexible instrument which adds to the industrial capacity of the Nation through the development of foreign markets, and permits the strengthening of those industries which will be most needed if war should strike.

Third. The opinion of Under Secretary of Commerce Foster that renewal of the act is of great importance to the European recovery program and that—

The importance to the United States of maintaining a large volume of foreign trade will increase as time goes on. Many of our most valuable raw material resources are approaching exhaustion, and we will have to import more and more, if we are to maintain our industries in operation.

At present the United States has no problem in obtaining the purchasing power for the imports we need. But surely every country in the world, and this is particularly true of raw material producing countries, is determined to industrialize, both in order to reduce its dependence on manufactured imports and to obtain for itself all of the profits from the processing of its raw materials.

Unless we use our bargaining power to its fullest extent, we can expect a growing body of restrictions against our exports. The future strength and prosperity of the United States depend upon our ability to maintain a maximum flow of trade with the rest of the world, in both directions.

Fourth. The assurance of Secretary of Agriculture Brannan that his study of the effects of trade agreements from 1936 until the outbreak of World War II "showed a consistent advantage to American agriculture. Our farm exports to the countries with which we had trade agreements fared better than did our farm exports to other countries; the items on which tariff reductions were made fared better than did others. The commodities which received benefits were typically those—such as wheat and other grains, lard and pork products, citrus fruits and apples, fresh vegetables, canned fruits, and nuts—which were at that time suffering from heavy domestic surpluses. On the import side there was also an increase, the agricultural commodities involved were chiefly those not produced in the United States or those imported in only small volume, insignificant in relation to our own production. Imports of items directly in competition with American agricultural products increased relatively little."

Fifth. The statement by Mr. James B. Carey, representing the Congress of Industrial Organizations, that—

One of the means of attaining our goal of full employment at a fair wage and full production is through international trade encouraged by reciprocal trade agreements.

The philosophy of the old Smoot-Hawley Tariff Act passed in 1930, at the beginning of the greatest depression we have ever had, was to protect American products by eliminating foreign competition. This was done by placing high tariffs on imports to keep them out of the country. This philosophy presupposes foreign competition adversely affects American production and employment and that we increase production and employment by restricting foreign markets. This is fallacious.

A sound economic foreign policy must seek to encourage high levels of production and employment. Maintaining foreign markets for our goods and importing vital materials necessary for our industrial production will play an essential part in keeping our industrial potential operating at full employment and full production levels.

Sixth. The recommendation of Mr. Charles P. Taft, vice chairman of the citizens' committee for reciprocal world trade that—

Congress should certainly renew the Reciprocal Trade Agreements Act without change. Nothing could damage our interests more than a crippling of this policy as we put the Marshall plan into effect, which calls for just the principles of trade established under this act.

Seventh. The viewpoint of Mr. Earl O. Shreve, president of the Chamber of Commerce of the United States, that—

From the point of view of practical operation, I cannot see advantage in changing the present basic legislation in such ways as would restrict the flexibility of administrative procedure which has characterized the program since its inception.

Congress in renewing the legislation for 3 years should oppose any amendment to the Act which will nullify the advantages in the present system of negotiation and administration.

Eighth. The warning of Mr. John Abbink, representing the National Foreign Trade Council "that other nations are waiting only for a signal from the United States to embark on nationalistic programs which would make trade barriers of the thirties seem inconsequential."

Ninth. The appeal for a 3-year extension made by Mr. Morris Rosenthal, president, National Council of American Importers, as "an essential part of a bipartisan American foreign policy."

Tenth. The reminder by Mr. H. J. Heinz II, chairman, United States Associates of the International Chamber of Commerce that—

Negotiation of trade agreements is a lengthy process. As a practical measure, it would be extremely difficult to either negotiate new agreements or renegotiate old agreements if the present reciprocal trade program is extended for a period shorter than 3 years.

Eleventh. The opinion of Dr. Mildred Northrup, Bryn Mawr professor of economics, that—

The method of tariff negotiation is one of the aspects of the Reciprocal Trade Agreements Act which is most often the subject of attack. And it is the method of arriving at tariff agreements that I as an economist—a social scientist—find peculiarly satisfactory in the Reciprocal Trade Agreements Act. The tariff has been removed as a plaything of special interest groups and placed upon a scientific basis of specific rate de-

termination. After full and open hearings possible tariff concessions are determined and each concession is judged, as it should be, in terms of the general welfare of the whole economy.

In this procedure, there is no room for special pressures—for special interests that will not stand up to an economic judgment rendered in terms of the economic prosperity for the whole country rather than for a privileged few.

Many other statements in support were made either in testimony before the Ways and Means Subcommittee or in documents filed for the RECORD.

That the foregoing quotations are not the utterances of a highly-paid well-organized lobby is shown by the most recent Gallup poll which reports that 80 percent of informed people favor continuation of trade agreements, as against 8 percent of such persons who oppose such agreements.

Mr. Chairman, under unanimous consent, I insert at this point in the RECORD the following Gallup poll reported in the Washington Post of May 13, 1948:

OPINION OF INFORMED VOTERS IS 4 TO 1 FOR TRADE TREATIES

(By George Gallup, director, American Institute of Public Opinion)

PRINCETON, N. J., May 12.—President Truman's request for renewal of the Trade Agreements Act is overwhelmingly approved by voters informed about the purpose of reciprocal trade treaties. People who know about the treaties vote better than eight to one to retain them.

But it may come as a shock to educators and national leaders to realize that, after 14 years of debate over Cordell Hull's trade treaty program, the vast majority of voters—two out of three—do not know what "reciprocal trade treaties" are.

Since the whole question of tariff rates is complicated, the institute used its method of question design which makes it possible to analyze every facet of opinion and to sort out the views of the informed and uninformed voters.

Of the representative voters surveyed, 34 percent said they know what reciprocal trade treaties are. While relatively few could give exact definitions, most grasped the general idea that such pacts give signatory countries mutual trade concessions. Under the Trade Agreements Act, Congress granted the President power to work out agreements with other countries to adjust tariff rates on individual items on a reciprocal give-and-take basis.

To those knowing about the treaties, field reporters for the institute put this question:

Some people say that because the United States is planning to spend \$6,000,000,000 in the next year on the Marshall plan it is no longer necessary to continue reciprocal trade agreements. Other people say that the Marshall plan makes the need for trade agreements greater than ever. Do you think the trade agreements should or should not be continued?

The answers:

	Percent
Should be continued.....	80
Should not be continued.....	8
No opinion.....	12

To test the intensity of voters' views, the institute asked, How strongly do you feel about this—very strongly, fairly strongly, or not at all strongly? Half of those favoring retention said they felt very strongly, slightly less than half, fairly strongly; and less than 1 in 10 not strongly at all.

No major differences between Republican and Democratic voters arise in regard to con-

tinuation of the treaties. Eight out of 10 in each party support the treaties, and the same proportion exists among voters who call themselves independent of any party allegiance.

A House of Representatives committee has held hearings on a bill to extend the trade act for 3 years beyond next month's expiration date. Originally passed in 1934, the act has been renewed by several Congresses since then. An institute poll in 1945, when the act was last extended, showed 75 percent of the informed voters favoring renewal at that time.

Supporters of the legislation point out that the European Cooperation Act calls for participating countries to sign treaties with the United States to reduce trade barriers among themselves and other countries.

V. CONCLUSION

In conclusion, I want it clearly understood that I am not a free trader. I do not want a tariff so low as to throttle or prevent the growth and expansion of legitimate industry, nor one so high as to stifle competition and to breed, nourish, and shelter monopoly. In my opinion, the Reciprocal Trade Agreements Act, notwithstanding the disruptions of the war years, has demonstrated its effectiveness. I am convinced that it is the most feasible, satisfactory and practical way of handling the foreign trade problem. The present law is such an improvement over the old log-rolling, back-slapping, monopoly-breeding, enemy-making method of dealing with the tariff. The 1-year extension would be nullified by red tape which would make it impossible to negotiate any new agreements within that limit. The majority apparently desire to kill the program without assuming responsibility for its death.

My final appeal, in the words of the esteemed and revered elder statesman, Hon. Cordell Hull, is:

Today our Nation and all nations need more than ever before to cooperate wholeheartedly in establishing, in as large an area of the world as possible, the conditions of political liberty, economic progress, and enduring peace.

The attainment of these conditions of civilized life especially requires that the peoples of the world have an opportunity to trade with one another to their mutual benefit and with a minimum of stultifying restrictions. The trade agreements program provides the most effective framework for the realization of that opportunity. The continued existence of the program is indispensable if our Nation and all nations are to look confidently to a brighter future.

Under leave already granted, I insert the following letter from the Chairman of the United States Tariff Commission:

UNITED STATES TARIFF COMMISSION,
Washington, May 17, 1948.
The Honorable ROBERT L. DOUGHTON,
House of Representatives.

DEAR MR. DOUGHTON: I have your letter of May 14 asking that I give you my personal views on certain questions which you ask regarding H. R. 6556.

This bill would alter existing procedures in the negotiation of trade agreements by vesting in the Tariff Commission statutory responsibility for investigating and reporting to the President regarding what modifications could be made in duties on imported articles without causing or threatening to cause serious injury to domestic producers of like or similar articles, or impairing the national defense. For this purpose the Commission would be required to hold

hearings and afford reasonable opportunity for persons interested to be present, to produce evidence, and to be heard at such hearings.

Because of your desire for a prompt response to your questions, I shall not have an opportunity to give them lengthy consideration or to discuss them in advance with my colleagues on the Commission. I am, therefore, giving you only my offhand personal views. Your questions and my answers to them are as follows:

"1. Does the Tariff Commission as now constituted have a sufficiently large number of qualified personnel to undertake the responsibilities which would be imposed by H. R. 6556?"

The Commission's staff is highly qualified for the type of work in question, but at present totals only about 220. This staff is not adequate even for the present duties of the Commission. Should H. R. 6556 become law and should trade-agreement negotiations become active, additional staff would be required to meet the new responsibilities entailed by the act. How large an increase in staff would be needed would depend upon the interpretation given to section 2 of the bill. This section requires the Commission to make an investigation and report to the President regarding the concessions which may be made, without injury to domestic producers, on each of the articles which are listed for inclusion in the negotiations. It would be one thing if investigation by the Commission were to be limited, as it has been in connection with most articles covered by the trade agreements so far made, to assembling and analyzing the readily available information on the various articles. It would be quite another thing if section 2 should be construed to require special investigations with respect to all, or most of the articles included in the negotiations. Of course, an interpretation intermediate between these two extremes might be adopted, whereby such special investigations could be confined to a limited number of commodities as to which particularly difficult problems were present.

By the term "readily available information," I mean information already in the possession of the Commission, whether or not previously published, and such additional information as can readily be obtained from other Government agencies or from private sources, without special investigation. By "special investigation" I mean an inquiry of the type which involves field work or questionnaires, or both. I have in mind investigations of such scope as those the Commission conducts under section 22 of the Agricultural Adjustment Act and as those which the Commission will make in cases arising under the escape clause in trade agreements.

"2. What would be the estimated period of time required to conduct public hearings, make the findings required by section 2 of H. R. 6556, and report to the President on the average number of articles contained in a bilateral trade agreement?"

Here again the answer is dependent upon whether extensive special investigations would be required under section 2 of the bill or whether the Commission could proceed, in general, on the basis of the analysis of readily available information. If the Commission could proceed on the basis of readily available information, it could with adequate staff probably conduct hearings and make its recommendations as to an average trade agreement in 4 to 6 months, assuming that the Commission were free to concentrate largely on trade-agreement work. If, however, special investigations should be required or if the Commission's work on trade agreements should be substantially interrupted by other assignments, then the time required would be longer. How much longer would depend upon the proportion of com-

modities as to which special investigations were deemed necessary.

"3. What would have been the estimated time for performing the same functions in respect of the articles upon which negotiations were recently conducted at the Geneva conference?"

The answer to this question hinges largely upon the same imponderables as the answer to the preceding question. Additional questions would, however, arise. For example, would it be necessary for the whole Commission to sit in the hearings or could the Commission be divided into panels, as was done by the Committee for Reciprocity Information in the hearings on the Geneva negotiations? If the Commission could divide into panels for the hearings, if it could proceed on the basis of readily available information, and if it could concentrate almost exclusively on the trade agreements, then the Commission might complete making recommendations under H. R. 6556 with respect to as many articles as were included in the Geneva negotiations in about a year. Unless all these conditions could be satisfied, however, it would take longer. If none of them were satisfied, as much as 2 years or more would probably be required, depending again on the proportion of commodities as to which special investigations were made.

"4. What would happen in the event (a) the Tariff Commission were equally divided or had three or more minority views respecting the findings required by section 2 of H. R. 6556, or (b) the Commission for some reason or other was unable to make such findings?"

My offhand interpretation of the bill is that if the Commission should divide 3 to 3 on an article, no concession could be made on that article, whatever view the President might hold regarding it. The same result apparently would occur if three Commissioners held one view and each of the other three Commissioners held views differing from the three and differing from each other, or if for any other reason the Commission was not able to make a finding.

This point is important in view of the fact that the Commission is composed of an even number of Commissioners (three Democrats and three Republicans). It is also important because of the nature of the findings required by section 2 of H. R. 6556. Even under normal conditions, it is difficult to predict with much assurance the effect of any given change in duty. Under the abnormal conditions now existing in the world, the difficulty is greatly intensified. All that the Commissioners could do would be to analyze all the available facts and arrive at judgments largely based on assumptions regarding various general factors such as the rate of rehabilitation of industries in war-torn countries, the course of price levels in the United States and foreign countries, and the movements of foreign exchange rates. The room for differences in opinion is obviously great and as the Commission is composed of six men whose tariff views are by no means uniform, their judgments on contentious items might very well differ, at least in degree. There are no objective methods by which such differences in judgment could be resolved.

"5. What would be the minimum increase in staff and appropriations required by the Tariff Commission in order to insure that the responsibilities imposed by H. R. 6556 with respect to the average number of dutiable articles considered in bilateral trade agreements could be fulfilled within 6 months after such list is submitted to the Tariff Commission?"

Again the answer must depend upon the factors mentioned in reply to questions 1, 2, and 3 above. If the Commission could proceed on the basis of readily available information and could virtually exclude other

work while engaged in making investigations regarding trade agreements, then an increase in staff of about 50 percent might suffice. If, however, many special investigations were deemed necessary and if the Commission were obliged to do considerable work on other assignments, then a much larger increase would be required—as much as 100 percent or more.

6. In your opinion would the Commission be required under H. R. 6556 to conduct extensive cost of production studies? Would you have much confidence in these studies?

It is, of course, impossible for me to predict whether the Commission would decide under H. R. 6556 to make extensive cost of production studies. I should think, however, that it would decide against making such studies if only because of the additional time required. If, however, the Commission were to decide that extensive cost investigations were necessary, then the estimates made in response to questions 2, 3, and 5 would all have to be increased substantially.

Time is not available to state in any detail my views regarding differences in costs of production as a criterion for adjusting tariff rates. Suffice it to say that in my opinion cost studies are, as a practical matter, of somewhat limited usefulness in tariff making, not only because of the time required to make such studies, but also because of the character of the decisions which have to be made in resolving the complex questions which arise regarding the comparability of the domestic and imported products, the allocation of general and overhead costs to particular joint products or byproducts, the method of averaging costs of different producers, the appropriate markets to which to compute costs of transportation, and other matters. Such cost studies as are feasible, however, do supply valuable information regarding conditions of competition between domestic and foreign producers. Whether cost studies, by themselves, usually afford an adequate basis for determining the proper protective tariff rate may be doubted.

"7. Do you think the procedure established by H. R. 6556 would enable the Commission to render a better public service than it now performs?"

I can answer this question only by giving you my entirely personal views on the question of the proper functions for the Tariff Commission.

The Commission was established in 1916 in order that the Congress and the Executive might have a reliable source of objective information on tariff matters, information which could be accepted as authentic by all sides in any tariff controversy. Thus, from the very beginning its primary function has been to find the facts, leaving policy decisions to the Congress and the President. I doubt the advisability of transforming the Commission into a policy-making agency and thus subjecting it, more than in the past, to political vicissitudes.

My fear is that the attempt to determine the degree to which duties may be reduced without injury to domestic producers or impairment of the national defense would require the making of such difficult and fundamental judgments that the Commission would, in effect, be making major policy decisions. The element of judgment, of course, enters into the various phases of the Commission's present work. This is especially true of the duties which have been assigned to it under the escape clause in trade agreements. In cases under that clause, however, its findings as to whether serious injury to domestic producers has occurred or is threatened will be based upon actual observation of imports and domestic production after the trade agreement concession in question has come into force. In contrast the findings required under H. R. 6556

would have to be based to a large extent, especially under present abnormal conditions, on assumptions and estimates as to future probabilities.

"8. Are there any additional comments on H. R. 6556 that you would care to make?"

I have not had an opportunity to study the bill sufficiently to make further comments at this time. I can only hope that I have answered your other questions sufficiently. In any circumstance I want you and the other members of the Committee on Ways and Means to know that I and the other members of the Tariff Commission will always endeavor to the best of our ability to assist in carrying out any functions which the Congress shall assign to the Commission.

Respectfully yours,

OSCAR B. RYDER,
Chairman.

Now, I yield to my distinguished friend. He says this is a New Deal measure. I want to read to him what Governor Landon, the Republican candidate for President of the United States in 1936, says about it. He is not a New Dealer.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. DOUGHTON] has expired.

Mr. DOUGHTON. Mr. Chairman, I yield myself two additional minutes, in order to answer my friend.

Mr. KNUTSON. Will the gentleman tell us for our information in what way the Gearhart bill would cripple the present program?

Mr. DOUGHTON. In every way. That is the best answer I can give. It would—I will not say cripple it—it will mortally and fatally wound it; that is what it will do, because it will be impractical and unworkable and through that method of indirection the very purpose of those opposed to the program will be accomplished.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. DOUGHTON. Mr. Chairman, I yield myself two additional minutes. I have here an article regarding the position for ex-Governor Landon on the pending bill. Alf Landon said the proposed revisions are contrary to the tariff plank of the 1944 Republican Convention.

Then he says something in which I agree with him, that the gentleman from Massachusetts, JOE MARTIN, is the best qualified Republican for the Republican nomination. I agree with everything Mr. Landon says in that statement, absolutely.

Under leave already granted, I insert the Landon article at this point in the RECORD:

LANDON SUPPORTS RECIPROCITY LAW

Alf Landon, GOP standard bearer in 1936, yesterday assailed House Republican proposals for revision of the reciprocal trade law. Instead, he called for a 3-year extension of the act without changes, as requested by President Truman.

The proposed revisions, he said, are contrary to the tariff plank of the 1944 Republican Convention, as interpreted by Dewey, the Republican Presidential nominee that year.

The Kansas boosted House Speaker MARTIN, of Massachusetts, for the Republican Presidential nomination. "We couldn't do better than Joe," he said.

Reporters met Landon when he called at MARTIN's office.

While discussing a wide range of subjects, the Kansan put greatest weight on the tariff issue.

"The Republican tariff bill," Landon said, "endangers the reciprocal trade program and endangers the whole policy of postwar economic reconstruction of the world. It threatens to waste the money we are advancing for foreign relief."

Take the columnists from the newspapers of the country. They unanimously support the present law and condemn the bill now before the House. Of the columnists not more than 1 in 20 are against the reciprocal trade agreement program.

Take the magazines of the country. The overwhelming preponderance of enlightened and intelligent judgment in this country is in favor of a continuance of the reciprocal trade law.

In my opinion, my humble, honest opinion—I may be wrong, but I doubt it—in my opinion if this Republican trade agreements program were the only issue between the Republicans and the Democrats in the next campaign the Republicans would not carry one State in the Union. That is my honest opinion because North and South, East and West, civic organizations, religious organizations, business organizations, the United States Chamber of Commerce, the CIO, the A. F. of L., all favor the present law and are opposed to the program that would be provided by this bill.

Mr. GEARHART. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Chairman, I would like to clarify my position on this legislation. We have been working for months to develop a program for the rehabilitation economically of 16 nations in Europe. The essence of that rehabilitation program, or one of the very important parts of it, was the breaking down of economic barriers between those nations so that their economy could begin to develop so far as practicable by the interchange of commodities and goods. I feel it would be a great calamity to our European enterprise, involving billions of the taxpayers' money and a great American business administration, if we announced to the world that while we are asking those conditions of a free economic exchange to be established in Europe and paying for having such an establishment of them, we should now enter upon an attempt to give up reciprocal trade agreements that have been in force for so many years. I recognize that this reciprocal trade legislation ends on the last day of this month. I believe it would be a great calamity to have it end then, and since the only legislation we have for its extension carries it forward only for 1 year I am anxious to have it carried forward for that length of time because I hope in that time we will again have one government here. While it may sound like a dream, I would not be surprised if it turned out to be entirely Republican, both here on the Hill and downtown. If that be so, then the one party in power will have to assume responsibility for continuing the reciprocal trade agree-

ments or diminishing them or abandoning them altogether. For that reason I am going to vote for this extension of 1 year, which is all we can vote for.

Mr. Chairman, I would like to say a word now on the subject of tariffs, about which I am in pretty nearly as deep ignorance as some of my colleagues. When the Smoot-Hawley tariff bill was before the House I made a very careful study of our foreign trade and found a few remarkable facts. First of all, Canada, with ten or eleven million people, was our best customer. Canada bought more from this country in 1 year than all of North and South America put together, including the West India Islands, more than any other nation in the world across the Atlantic or anywhere else. I inquired why, and I found the reason was that the Canadian level of wages approximated ours; so that there was a very broad diffusion of buying power among the Canadian people and that approximation in their level of wages reduced the competition against our own workers and made it possible for the Canadian people to be the largest purchasers of our output.

I studied Czechoslovakia also. They sent people over here to learn the shoe business, then went back and set up that business over there and were very successful. They paid a starvation wage, I think in some cases 30 cents a day. Czechoslovakia, with more people, or as many as Canada, just purchased a handful of commodities from the United States. The reason was the low level of their wages. They had no buying power among the masses of the people.

So I proposed, and it was somewhat of a serious thing for a man as badly equipped as I was on such matters to make the proposal, that we have a new kind of tariff, that we base our tariff upon the wage level or the buying power of other countries, and that where their wage level approximated ours we would have a low tariff, and where the wage level was on a starvation basis we would have a high tariff, and as their wage level rose and their buying power increased, and their competition against us diminished, we would reduce the tariff. I submitted that to all the tariff experts of both Houses and met with unanimous disapproval, which convinced me that for once in my life I was right. I now submit it to you for your future consideration when the tariff question comes up under a Republican administration.

I am going to vote for this legislation because I want reciprocal trade to continue until the Republicans come into legislative and executive power, at which time they will have the responsibility of disposing of it one way or the other.

Mr. GEARHART. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. KNUTSON], the chairman of the Committee on Ways and Means.

Mr. KNUTSON. Mr. Chairman and Members of the Committee, at the outset of my remarks, I wish to compliment the chairman of the subcommittee, the able gentleman from California [Mr. GEARHART], and the equally able Republican members of the Subcommittee on Reciprocal Trade, for the very fine job that

they have done; a job that was long overdue and very necessary. I was a little bit amused and somewhat surprised, though not edified, by the remarks made by my good and dear friend, the gentleman from North Carolina [Mr. DOUGHTON]. I have always known that he was adroit. I have always suspected that he could work both sides of the street without violating any traffic regulations. He denounced the Smoot-Hawley bill in no temperate language. Of course, he should be proficient in that line, for as far back as I can recall he has consistently held that view. He is against tariffs, but he does not say a word about being against embargoes. Oh, the gentleman from North Carolina is an embargoist.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Why, certainly.

Mr. DOUGHTON. I did not get to it in my speech; I did not have time to state my position on the tariff. I am not always against tariffs, and I am not always for embargoes. I am not a free-trader that would stifle small, struggling industries or prevent their growth or expansion. On the other hand, I am against a monopoly-breeding tariff that protects a few interests at the expense of all the people of the country. That is my position on the tariff.

Mr. KNUTSON. I am glad to have the gentleman's declaration of political faith, although I am sorry to say that it was hardly necessary. Let me ask, Has he ever protested against the embargo on the importation of short-staple cotton? We are told by the State Department that embargoes and excessively high tariffs not only breed ill-feeling among nations, but promote wars. Has the gentleman in his zeal to preserve peace ever protested against the embargo on cotton imports?

Mr. DOUGHTON. I do not know as I have.

Mr. KNUTSON. No; I did not think so.

Mr. DOUGHTON. I do not know as I ever favored it, either, and I do not know that it has been an issue with me, either.

Mr. KNUTSON. Of course not.

Mr. DOUGHTON. They do not grow any long staple cotton in my district.

Mr. KNUTSON. I am talking about short staple cotton.

Mr. DOUGHTON. And I am not a fanatic one way or the other on any tariff so far as that is concerned.

Mr. KNUTSON. The gentleman reminds me of the story of the housemaid. It seems that after she had worked for the family a while, the wife one day said to the husband, "What do you think of Mary, John? I hear that she isn't all that she should be." "Well," said John, "I will talk to her about it." So he did, and Mary very indignantly denied any improper conduct. "But," she said, "I'm not fanatical on the subject."

I think that is the position my friend from North Carolina is in. He is not fanatical on the subject of protection. It is so sweet to hear the faithful watchdog bay as we draw near home on election day. I think the gentleman had

something to do with putting an embargo against the exportation of tobacco seed, and I compliment him on it. The gentleman shakes his head in denial. I cannot think of any other Democrat who would have the forethought to put an embargo on the exportation of burley tobacco seed. Far be it from me to question the propriety of what was done.

The gentleman read a letter from Secretary Marshall. As Chief of Staff, Marshall may have been quite a fellow: I do not know. They tell us that under his direction the war cost us three times as much as it should have, that there had never been a war fought by this country where there was more waste and inefficiency than in the late war. But probably Marshall was not responsible for it, although he was Chief of Staff.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from California.

Mr. GEARHART. This General Marshall, of course, is the one who did not know where he was the night before Pearl Harbor.

Mr. KNUTSON. Has he known where he has been since? He went to China to patch things up, and only made matters worse. If you do not believe me, ask the Chinese. Then he started to fix up the Palestine question and, like my good friend from North Carolina, he worked both sides of the street on that problem. One day he recommended partition and the next day he repudiated it. So the gentleman from North Carolina will have to excuse me if I refuse to accept General Marshall as an authority on the matter before us.

Mr. DOUGHTON. What about Governor Landon?

Mr. KNUTSON. They seduced him with a lot of attention since the New Deal came in. He is like other Americans I know, he has an ambition to sleep in the Abraham Lincoln bed at the White House. There is more than one way of leading one astray.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I assume the gentleman is still strongly opposed to the European recovery plan and to every suggestion that the State Department makes for international cooperation?

Mr. DINGELL. Answer the question "Yes" or "No."

Mr. KNUTSON. I suppose the gentleman wants either "Yes" or "No" for an answer.

Mr. EBERHARTER. The gentleman can answer it as he pleases.

Mr. KNUTSON. Our friend from Michigan thinks it can be answered in one word.

Mr. EBERHARTER. The gentleman can answer it as he pleases, and in his own time.

Mr. KNUTSON. I thank the gentleman for his generosity and the latitude he affords me. The Marshall plan for world-wide recovery is nothing but a glorified UNRRA. The only difference between the Marshall plan and UNRRA is that UNRRA cost us a little less than

\$3,000,000,000, while the Marshall plan will cost us in the neighborhood of eight-ten or twenty billion dollars. However, the Marshall plan has the advantage that it will provide many more soft berths for the faithful. Have I answered the gentleman's question?

Mr. EBERHARTER. Faithful what?

Mr. KNUTSON. Faithful followers of the New Deal. I am sorry I have to lay it out in detail.

Mr. EBERHARTER. The man in charge of the ERP certainly is not a New Dealer. Paul Hoffman is a Republican, is he not? He is a faithful Republican.

Mr. KNUTSON. I did not know that he was.

Mr. EBERHARTER. And throughout the State Department there are many faithful Republicans.

Mr. KNUTSON. We have as many varieties of Republicans as you have Democrats—not quite as many varieties as there are of Heinz pickles, but we do have too many kinds. For instance, the gentleman from Pennsylvania is one variety of Democrat. My good friend from North Carolina is another brand of Democrat, and my good friend from Massachusetts is yet another brand. I would say he is the happy medium between the two extremes.

The gentleman from North Carolina read from Secretary Marshall's letter. Frankly, I did not get any information from the letter. I had no more information when he got through reading it than when he began. I want to read from another distinguished American whose reputation for having a broad grasp of foreign affairs is fully as great as that of Mr. Marshall. I refer to the able gentleman from Massachusetts, Congressman HERTER, who did a splendid job in relief work under Herbert Hoover, a Republican.

Mrs. DOUGLAS. What variety of Republican is he?

Mr. KNUTSON. Will the gentlewoman please get recognition from the Chairman when she wishes to interrogate a speaker? That is the rule of the House.

Mrs. DOUGLAS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Minnesota yield?

Mr. KNUTSON. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. Three minutes.

Mr. KNUTSON. Mr. Chairman, I cannot possibly yield with only 3 minutes remaining.

I quote from the New York Times of Thursday morning, where there appeared a synopsis of a very able speech by the gentleman from Massachusetts [Mr. HERTER], delivered the night before to the World Trade Association meeting in that city:

Congressmen HERTER, who, as vice chairman of the House Select Committee on Foreign Aid, headed a special delegation of Congress to Europe whose report played a major role in the legislation for the European recovery program, said:

"In my opinion, there is no need of fear on the part of those who favor the principles of the reciprocal trade agreements with respect to the new House proposals.

"In effect, three changes have been made in existing procedure. The first calls for studies and hearings on a given set of commodities to be made by the Tariff Commis-

sion instead of the Committee on Reciprocity Information, which is an interdepartmental committee. The views of every department of the Government can, of course, be given to the Tariff Commission, but the Commission has been created as a bipartisan technical commission whose responsibility it is to give the kind of advice provided for in the new proposals. I do not feel too concerned over substitution of this body for an interdepartmental committee.

"The second change has to do with the submission of certain agreements to the Congress. The President is free to negotiate tariff changes within the brackets reported to him in secret by the Tariff Commission as being the upper and lower limits to which the Tariff Commission believes he can properly go without serious injury to American business.

"Should an agreement stay within these limits, then that agreement becomes effective immediately. Should the President go beyond the upper or lower limits set by the Tariff Commission, he is then required to submit the agreements to Congress together with the Tariff Commission report and his own reasons for having gone beyond the recommendations made to him. Congress then has the privilege by a concurrent resolution of both branches to negative the entire agreement provided it does so within 60 days. If it does not act at all within that period, the agreement then becomes effective."

Touching upon the proposed 1-year limitation, Representative HERTER described this as proper for the reason that a newly elected administration coming into office next January ought to have the right to make its own recommendations in the setting of a pattern for its term of office.

All should be in agreement with that statement.

The gentleman from California [Mr. GEARHART] has told you what the procedure would be under his bill. Frankly, I do not see how any group in this House could possibly improve on what the gentleman from California has brought in here.

It is deplorable that this blind partisanship should have arisen over such an important issue as this.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. KNUTSON] has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. COOPER].

(Mr. COOPER asked and was granted permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, as I have said on other occasions when discussing this legislation, it is my conviction that in its far-reaching consequences to the happiness and welfare of the people of this country, it is the most important legislation in many respects that this Congress could consider.

In 1934, the Reciprocal Trade Agreements Act was first passed. In the intervening period of 14 years, we have negotiated 51 trade agreements with 41 different countries. They have resulted in great benefit to the people of this country, and there has never been any evidence presented of any serious injury to any American industry or interest during all that period of time. The record shows that our foreign trade with trade-agreement countries has more than doubled that of our foreign trade with countries with which we did not have trade agreements.

The program has been successful during the most difficult period in all the world's history. The President of the United States on March 1 of this year, in a special message to the Congress, recommended the extension of this program for the customary period of 3 years. The distinguished gentleman from North Carolina [Mr. DOUGHTON], former chairman of the Ways and Means Committee, promptly introduced a bill or resolution carrying forward that recommendation of the President. Although all the month of March and all the month of April passed, the Ways and Means Committee under Republican control gave no consideration to that subject. Then, during this month, they rushed in and, with 6 days of closed hearings before a subcommittee, called themselves, considering this vital and all-important question. But the fact remains that not 1 day, not 1 hour, of public hearings was devoted to the bill here presented for consideration of the House.

The fact of the matter is that the real practical effect, and I think the real purpose, of the pending bill is to kill the trade agreements program. In that connection I should like to invite attention to the statement contained in the letter from the Secretary of State to which the gentleman from North Carolina referred; but there was some confusion in the chamber at the time and there is a question as to whether Members caught the real significance of that statement in the Secretary's letter. Among other things Secretary Marshall stated:

In my judgment, enactment of H. R. 6556 would make the reciprocal trade agreements program unworkable. Under the circumstances I think our national interest would be better served to permit the Trade Agreements Act to expire than for H. R. 6556 to be enacted, but it is my earnest hope that this Congress will extend the Reciprocal Trade Agreements Act for 3 years without the proposed crippling amendments.

Mr. Chairman, I should like especially to invite attention to what I consider one of the most important phases of this question presented today. Time will not permit a discussion of all the phases of this program that I should like to present on this occasion but I should like especially to emphasize the fact that right at this particular time the extension of this program in its present form for the customary period of time of 3 years is more important than it has ever been before. We know that under the European Recovery Program Act passed by this Congress during this session that these European countries to benefit under that program must carry on reciprocal trade relations between themselves and with other countries of the world. I simply invite your attention to the language of the act itself. In the declaration of policy it is stated:

The accomplishment of these objectives calls for a plan of European recovery, open to all such nations which cooperate in such plan, based upon a strong production effort, the expansion of foreign trade, the creation and maintenance of internal financial stability, and the development of economic cooperation, including all possible steps to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers.

Then on page 17 in the body of the act itself this language is to be found under section 115 with the heading "Bilateral and Multilateral Undertakings":

Such agreement shall provide for the adherence of such country to the purposes of this title, and shall, where applicable, make appropriate provision among others for—

And then subsection (3)—

Cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and cooperating to reduce barriers to trade among themselves and with other countries.

So in effect we provide by law here that these countries participating in the European recovery program shall carry forward this type of reciprocal trade. For us to hesitate in extending our program to make it possible for us to continue the type of leadership that has brought us to the place we occupy today would be a serious mistake.

In this connection I invite your attention to the following statement made by the Secretary of State when he appeared before the subcommittee which handled this bill.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. COOPER. Mr. Chairman, I yield myself two additional minutes.

Mr. Chairman, this is part of the statement of the Secretary of State:

The statute establishing the ERP provides that bilateral agreements shall be made with the participating nations. The statute states as one of the prime conditions that the participating nations must agree to cooperate in facilitating and stimulating the interchange of goods among themselves and between themselves and other nations, and must cooperate to reduce barriers to trade among themselves and between themselves and other nations. In effect, we require these 16 nations to enter into reciprocal-trade agreements among themselves and between themselves and other nations. This is a wise provision because the recovery of Europe depends upon a great increase in the production of goods; and markets for these goods wait upon a lowering of barriers to the exchange of such goods.

The ERP was a vital step; but only a first step. We must now follow through with measures to make ourselves and the other free nations stronger. We must work closer together in commerce. No economic bond is closer than the friendly ties of mutually satisfactory trade. No force is more divisive than the introduction or maintenance of unnecessary barriers to such trade.

I submit, this being such a vital and important part of the foreign policy of this Government, and constituting the very foundation of our foreign economic policy, it would be a serious mistake for us to not at this time follow the customary procedure and extend the trade-agreements program in present form for the customary period of 3 years. There can be no doubt about the beneficial effects of this program up to now, but just at this critical point in the history of the world it is more important than ever before that we have this instrument to make it possible to trade with other countries of the world. You cannot always expect your neighbor to buy from you unless you sometimes buy something from him.

This program was provided for the purpose of expanding our foreign markets and making it possible for us to dispose of the vast surpluses we had of industrial production and of agricultural products, in this country. With the enormous agricultural surpluses that we normally produce, unless we have markets at some other place in the world for the disposition of those surpluses, it could have only one effect and that is to hang over the American market as a threat and beat down the prices that our farmers receive for their products.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. JENKINS of Ohio. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. REED].

(Mr. REED of New York asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, the frantic plea for straight extension of the Reciprocal Trade Agreements Act indicated by the minority in the Ways and Means Committee report would be more impressive if it could not be traced to one or two central sources. The facts are, however, that the apparently spontaneous support is the synthetic product of a centrally directed control of organized pressure groups.

Within the Government, the drive for unrestricted power comes naturally from those who would wield it, the State Department and the Executive. They are not to be blamed for wanting all the power they can get; this is normal and was foreseen by the founding fathers who deliberately instituted a system of checks and balances in our governmental structure. Congress is performing a normal part of its functions when it checks this continual grabbing for unrestricted and unreviewable power by the Executive.

Outside the Government, the building up of support for Executive power in this instance comes from a group that has finally appeared under the name of the Citizens Committee for Reciprocal World Trade. The public-relations firm of Baldwin & Mermey, hired by this committee to organize the campaign, specializes in the setting up and the education of pressure groups. In its publications it insists that this is on behalf of noncommercial citizens or community groups. In effect, logrolling is fine as long as it is on the side of the internationalists.

In April 1947, this firm began the publication of a news letter called *Resolved*. The announcement gave the following information about Mr. Baldwin and the purpose of the news letter:

Mr. Baldwin states that "citizen organizations can become increasingly effective in their special fields if they are kept advised as to each other's policies, program techniques, and performance. The collective information in *Resolved* will have an impact on general public opinion that separate activities cannot hope to achieve. It is the belief of our firm that this flow of information can contribute to mutual understanding and cooperation between business and public-affairs agencies." * * *

Publication of *Resolved* has been undertaken by Baldwin & Mermey to fill a long-

felt need for regular interchange of news among citizen organizations and to help advance better understanding and cooperation between these organizations and the business world from both of which this firm, as public-relations counsel, draws its clients.

The September 1947 issue of this news letter contained the following:

"Citizen organizations are reexamining political-action techniques in light of record of Eightieth Congress. Letters and visits to Congressmen, testimony at committee hearings did not produce results they desired. Many large membership groups will shift focus to local precincts where members can influence grass-roots, political machines. Headquarters representatives of citizen organizations are studying legislative strategy through joint action." * * *

Support for ITO Charter and Geneva trade agreements will get top priority in organizations' fall programs. Some 48 labor, farm, business, and citizen groups, including CIO Political Action Committee, National Council of Farmer Cooperatives, National Foreign Trade Council, and American Veterans' Committee have declared their support for expanded world trade. Some specialized business associations favor protectionist policies.

Nine regional 2-day conferences, September 23 to October 29, will prepare representatives of local branches of the League of Women Voters of the United States to carry on fight for ITO and renewal of Reciprocal Trade Agreements Act. Conferences in cities from New York to Los Angeles will dig into world trade facts and will stress community education techniques.

Some 2,000 communities will feel impact of world-trade advertising campaign this fall. Local drives will begin about November 1, 1947, will be led by international relations committee of United States Junior Chamber of Commerce (Akdar Building, Tulsa 3, Okla.). Advertising council will supply action manual, news releases, radio kit, campaign guide, proof sheets of ads, list of films, etc. Junior chambers will spark formation of committees of civic organizations to arrange with local advertisers for sponsorship of ads and to merchandise ads in group meetings.

Having as Mr. Baldwin says, both citizens organizations and business firms among its clients, the firm of Baldwin and Mermey is in an admirable position to obtain citizens organization backing for any of its programs. The firm has received a retainer of \$21,000 to June 15, plus expenses, to muster support and lobby a flat 3-year extension through this Congress. In this connection, I would like to cite some business organizations the sponsors of this lobby are identified with. Some of the officers and members of this firm's Citizens Committee for Reciprocal World Trade come from International General Electric Co., International Business Machines Corp., Borg-Warner International Corp., International Telephone & Telegraph Co., International Petroleum Co. Ltd.

That will give you an idea of the private big business that is backing the Baldwin and Mermey Citizens Committee campaign. These firms can of course take care of themselves, moving their operations about the world as they choose. Small business, farmers, and American workingmen adversely affected by the program have no such facility.

Again, Mr. Chairman, may I say that I would be much more impressed with the display of support for simple extension of the act shown in the minority

section of the Ways and Means Committee report on this bill if I were not confronted with the single origin of so much of it in the firm of Baldwin and Mermey, with its unidentified private business clients and advertised group of educated citizens organizations.

The export craze, which before the war supplied our enemies with almost unlimited amounts of war materials, is apparently to continue in spite of the lesson we learned. The large organizations which continually press for more exports find that we must take anything we can get in return to supply dollars to the foreign countries. In 1946, we imported well over 10,000,000 gallons of whisky and this amount was exceeded in 1947. This was not sufficient. Our exporters demanded more imports to pay for their exported products, so our obliging State Department again reduced the duty on liquors and where as we had an original duty of \$5 per gallon, we now in 1948 have a duty of \$1.50 per gallon. This was reduced in the hope that our imports of liquor would increase. Similar treatment was given to other spirituous liquors, and we are told that we must drink more foreign liquor, so these huge industries may export more goods from this country. The American small businessman, the American taxpayer is footing the bill and is asked to drown his sorrows in more foreign liquor. I hope this high-pressure lobby which has been paid \$21,000 plus expenses for deceiving the American public will be brought out into the open where every American citizen can see it.

It was through the power of false propaganda that the iniquitous Trade Agreement Act was passed. Countries were on the verge of war. Our people, 80 percent of them, wanted peace. The advocates of the trade-agreement program knew this and immediately set to work to take advantage of the distraught mind of our people. Why not, said the sponsors of the trade-agreement program, couple foreign trade and peace as a means of putting over the trade-agreement program. This was done. The country was blanketed with propaganda to the effect that the trade-agreement program would make for peace. Women's organizations were propagandized to the limit. The theme song in the press, over the radio, in the movies, and through a deluge of literature all paid for by the taxpayers, was to the effect that peace could come only through foreign trade. Naturally, the mothers of the country were for anything that would keep this Nation out of war. The trade-agreement program was the only true road to universal peace and brotherly love. It was stressed in a Nation-wide appeal to every mother in the land that if she would save her son from the horrors of war nothing must stand in the way of the enactment of the trade-agreement bill. Emotionalism on this issue of peace by trade agreements was raised to hysterical heights. It worked. The trade-agreement bill was enacted into law in 1934. Did it keep us out of war? It did not. Instead it ushered in and contributed to one of the most destructive wars in all history.

What other appeal was made to bring support to the trade-agreement program? It was urged by the New Deal proponents of this scheme, that if adopted, the trade agreements would be the means of increasing our exports. Did it increase exports? No; the New Deal advocates soon found to their consternation that our exports did not increase under the low-tariff policy of the Trade Agreement Act. Thus, the New Dealers in the State Department were faced with the dilemma that their program did not prevent war and the further fact that it did not increase exports. They realized that they could only save face by developing at all costs, whether in American blood or money, an increase in our exports. To meet their desperate problem, the free-trade internationalists in the State Department went into a huddle to see if they could find a solution for their diminishing exports. World conditions were in their favor. The dictators, Mussolini, Hitler, and Hirohito, were in desperate need of war materials.

This was manna from heaven for the State Department free-traders. Here was an opportunity to build up exports by the sale and shipment of vast quantities of war materials to the aggressors. Thus the trade-agreement program was to be saved by exporting raw cotton, petroleum, aviation gasoline, iron and steel scrap, steel ingots, tin plate, tin-plate scrap, refined copper, copper scrap, motortrucks, aircraft and parts, machine tools, firearms and ammunition.

Here was a demonstration of the good-neighbor policy with a bloody vengeance. These exports, the New Dealers felt confident, would convince the public that the trade-agreement policy had fulfilled the promise of increased exports. Where were these war materials shipped? They were shipped to Germany, Italy, and Japan during the years 1936, 1937, 1938, 1939, and 1940. If there were any virtue in the trade-agreement program, then with all these countless tons of war materials our exports ought not to have been 20 percent less under so-called reciprocity than under the American tariff system, but such was the result. I may add that this arming of aggressors with war materials herein mentioned, and more, to build up a case for the trade-agreement program, did not square with the good-neighbor policy and the peace policy so piously enunciated as a reason for enacting the program in 1934 and for the subsequent extensions of the Trade Agreements Act.

I may add further that if the State Department officials were not aware that they were depleting our national resources to supply aggressor nations with vital war materials, their combined astuteness was far behind that of the average American citizen.

The gruesome fact is that millions of our boys had to face the impact of these war materials which the New Deal trade agreement proponents caused to be shipped to the stock piles of the aggressors. The loss of the battleship *Arizona* and seven others damaged can be charged to the trade-agreement policy of shipping 8,000,000 tons of scrap iron, steel,

and other materials to Japan in a wild effort to build up exports.

Those of you who have read Wendell Willkie's *One World* no doubt found a reference to this question of shipping scrap iron to Japan. What did the trade-agreement sponsors care about the use that would be made of these war materials as long as it built up a fake case for their promised exports under the trade-agreement program? Would they listen to the protest of those who saw in this stock pile of war material the murder of men, women, and children? No. The program of deception must be carried out regardless of its cost in human lives. The casualties at Pearl Harbor alone were 2,117 killed in the Navy and Marine Corps with 900 missing. Does it not matter to the trade-agreement advocates and the internationalists that this fake export program furnished our enemies with the materials they needed to accomplish that dastardly act and that our enemies bragged about it as indicative of their superior diplomacy? The same group is again shouting peace, brotherly love, increased exports through free trade, as an inducement to the emotional and the selfish to support a further reduction of the tariffs.

All that is required to create a utopian world of unlimited international trade and prosperity, so the American people are told by the internationalists, is to lend and lend billions and billions of our taxpayers' money to foreign nations with which to buy our automobiles and other American products. This prosperity will last just so long and no longer than the American taxpayer can lend the money to the foreigners to buy our products. This artificial stimulation, this needling of the arm of normal trade, can bring us nothing but headaches and obligations that will weigh heaviest upon us when we can least afford to meet them.

This effort to deceive the American people on the subject of increased exports had other serious repercussions. This typical New Deal subterfuge, this double dealing with the American people, contributed to the death of thousands of our boys. It caused thousands of them to be blinded and crippled for life. To reveal the entire ghastly picture of the trade-agreement program would require volumes. Without fear of successful contradiction it can be truthfully said that the trade-agreement program did not tend to appease or stabilize or contribute to world peace. It did, however, add to the fury of the fight and the wholesale slaughter of our boys. Those of us who opposed the arming of our potential enemies protested these shipments; but to no avail. On numerous occasions in 1938, 1939, and 1940, I stood upon this floor and warned the country of what the export-hungry State Department was doing to us. Today I deplore the fact that after such a record of New Deal treachery we find the same group now operating behind the iron curtain of the State Department, again seeking to plague our national economy by advocating a further reduction in our tariff duties.

What do these free-trade experts and exponents now urge as a reason for again

lowering tariff rates? Some of them still insist that a further reduction of tariffs will insure future peace. Others take it for granted that the people have forgotten what was said in 1934 with reference to stimulating our exports, which the trade agreements have deplorably failed to do. Whether the people who were swindled during the trade-agreement era, with reference to the promised exports and the prevention of war have had enough of this double dealing I do not know. I am sure that they have not forgotten what the program cost the United States in blood, suffering, and wealth as a result of arming Japan, Germany, and Italy. It is enough to say at this point that had it not been for these shipments of war materials it is quite possible that there would have been no Pearl Harbor and probably no war of consequence in the Pacific.

In another speech which I made I reduced these shipments to airplanes, tanks, submarines, and battleships, and it is the most astounding picture, at a time when we lacked the materials to get ready for war. I will go into that just a little later.

Thousands of mothers today are without the sons who died gloriously to protect the American way of life. Those boys were killed, many of them, by the very metals and other materials our State Department shipped so frantically to support its ill-considered theory.

But we are again confronted with the same old appeal that the lowering of duties on imported goods will increase our exports, create good will, prevent war, and thus enrich our Nation. I want to call attention to a very significant fact with reference to this question of exports. The record shows that during the last 5-year prewar peacetime period of prosperity in the United States—that is from 1925 to 1929—our national revenue from customs duties averaged almost \$600,000,000 per annum. To be exact, \$580,748,055. Now then, here is the contrast: During the 5-year period under reciprocal-trade agreements preceding World War II, that is from 1935 to 1939 inclusive, our national revenue from custom duties averaged considerably less than \$400,000,000 annually. To be exact, \$378,909,157. What about our loss of revenue over a period of 10 years under the trade-agreement program? The fact is that the decrease in national revenue under the trade-agreement program has exceeded \$200,000,000 annually or the equivalent of \$2,000,000,000 in a period of 10 years.

I would say that this is a considerable sacrifice in national revenue incident to an unrealistic, experimental change in economic policy, and again may I add, it failed to keep us out of war or to increase our exports. Moreover, when the year 1939 is compared with 1929, the decrease in revenue is from \$600,000,000 to \$300,000,000, a decrease of 50 percent. I do not like to use statistics when addressing my colleagues, but it is of the utmost importance that this whole free-trade program should be debunked. We have suffered enough from listening to false statements and emotional appeals on this question of increased exports as a means

of building up our prosperity. This decrease in revenue during the reciprocal trade program is no small matter in view of the terrific burden of national debt which hangs like a cloud over our economy. The decrease in revenue to which I have referred cannot be accounted for as a result of a falling off in the quantity of imports. It is only necessary in this connection to compare the imports during the 5-year period from 1925 to 1929 with the recent 5-year period from 1935 to 1939. Not only this, but the physical quantity of imports in 1937 was exactly the same as the physical quantity of imports during the most prosperous year of all, 1929. It is significant, too, that the average physical quantity of imports during the two 5-year periods, namely, 1925-29 and 1935-39, did not vary more than 5 percent.

Let me repeat for emphasis that the physical volume of exports was actually 20 percent less under reciprocity than under the American system of prosperity at home. Not only was the physical quantity of exports 20 percent less under reciprocity than during 1925-29, but the exports under reciprocity included huge quantities of scrap iron and steel, petroleum products for military purposes, trucks, tractors, and other vehicles, machinery for making war implements, and stock piles of cotton, grain, tobacco, and other products.

To put this whole matter bluntly, our concession as to tariff rates merely meant loss of revenue and injury to the domestic market, while such foreign concessions as were claimed to have been made to us not only did not build up our export trade but merely made it possible for foreign enemy governments to equip themselves for World War II.

It is interesting to go back and look at the record. When the appeal was being made to get the farmers to support the trade-agreement program, I recall that when Secretary Hull appeared before the Ways and Means Committee in 1937 urging an extension of the trade-agreement program, he stated:

A primary purpose of this trade-agreement program, and it has no more paramount purpose, is to restore as far as possible the foreign markets for American agriculture.

I do not regard it impertinent to ask at this point whether the trade agreements did restore the foreign market for American agriculture. I can say definitely that it did not. Instead, when the New Deal administration realized that the reciprocal-trade program was not increasing our exports of farm surpluses it embarked in July 1938 on a major export subsidy program. To be more specific, the men behind the iron curtain in the State Department saw no objection to our dumping our goods upon the market of other nations. In an effort to prove that the trade agreements would open foreign markets for agriculture, 116,293,000 bushels of wheat were subsidized for export between July 1938 and November 1939 at a cost of approximately \$32,871,000 in subsidies. It is true also that from July 27, 1939, through November 1939, 4,340,297 bales of cotton were exported at a cost, for the subsidy alone, of approximately \$34,844,000.

Thus, through the failure of the reciprocal trade-agreement program to move our agricultural surpluses, it cost our taxpayers in subsidies \$67,715,000 during the period of 16 months, August 1938 through November 1939.

The advocates of the trade-agreement program, as a means of removing our surplus farm commodities, were becoming desperate. Something had to be done. They even went so far as to bring the Federal Surplus Commodities Corporation into action in the fiscal year 1938 and 1939 and through it spent \$30,479,112 for the surplus removal operations of 20 commodities while imports of these same commodities during the same period were valued at \$92,298,000. This shows clearly that our surplus commodities were not removed by the low-tariff program.

I may say that dumping is the practice of selling goods in the foreign market at a price below that charged for the same goods in the domestic market, and often at a price below the cost of production and shipment abroad.

Needless to say, dumping is an unfair international trade practice, and has been vigorously condemned as such by our Government. Now then, closely akin to dumping is the practice of governments in subsidizing in one way and another the export of goods by their nationals so that the product may be sold in foreign markets below the domestic price. Furthermore, dumping has always been fruitful of international resentment and discord. Thus, the international ethics and idealism, of which the New Deal administration prates so often and so loudly, were and are deliberately violated by this subsidy, dumping program.

For example, some of our free-trade friends made rash promises abroad about dismantling our synthetic rubber plants and have apparently never dreamed of using surplus crops to make the rubber that we dare not be without again. We have hundreds of millions of dollars invested in synthetic rubber plants, some designed to use alcohol, some for petroleum. If the Government, which now operates those plants, used grain, or even potatoes, to make alcohol for those plants we would be making use of the bounties of nature and not destroying them or dumping them on foreign markets. With grain at 25 to 35 cents a bushel, rubber can be made as cheaply as from petroleum, and if we must do that rather than destroy the grain or dump it on foreign markets at the expense of the good will of foreign countries, then why not try it out? We could do a lot of things if we paid a little attention to tidying up our own house before we begin telling other nations how the world should be run.

I am not surprised that our laboring men as well as our farmers are beginning to realize the danger that confronts them under the trade-agreement program. The friends of labor have striven for many years to build up sound immigration laws which of course are being undermined by the lowering of the duties on products made by cheap labor abroad. There is no surer way of destroying the pay rolls of this country than to transfer them to other countries under a low-

tariff policy. Is it wise for the United States to continue a policy that will ultimately weaken the social protection and security programs built up by the National Government and States for the promotion of production and security of the great mass of individuals privately employed? I do not want to see the United States continue an international trade policy under the trade-agreements program that will nullify our anti-child-labor legislation, the laws eliminating sweatshops, laws prescribing sanitary and health conditions, both in places of employment and in residential districts. I know that it is an unwise public policy to throw those, who labor on farms and in factories, in competition in our market with the people of those areas abroad where conditions are so bad as a result of poor sanitary conditions and disease that the average span of life is 25 to 30 years. This, however, is what the men now supporting the trade-agreement program would have us do.

A glance at the record of statutory enactments during the last half century and longer will show that the people of the United States under a system of representative republican States and national governments have been aware of the importance of protecting all individuals, producers, consumers, and all special groups against any and all forms of unfair public practices. One of the purposes of the Federal Trade Commission is to provide for legal action in the courts of the land to protect our people from such unfair trade practices. Why destroy all of this security by opening our market to foreign producers who are not required to meet the standards we require of our producers? I maintain that it is just as essential to protect our people from the unfair practices of foreign governments as it is to protect them from the unfair practices of domestic concerns.

I believe our people are fully aware that a multitude of different forms of unfair methods of competition such as dumping, quotas, licenses, and many foreign discriminations were introduced or resulted from the so-called reciprocal trade agreements entered into by the United States with foreign countries and between foreign countries.

The thought never entered the minds of the trade agreement negotiators of our State Department as to the importance of the child-labor laws, minimum hours of labor for adults, comparable to ours in countries competing in our market. I had always supposed that social legislation had a tendency to increase the price of our manufactured product, and therefore placed in a position of disadvantage the home industry subjected to all such laws unless similar laws were in force in all competing countries, but the trade agreements experts disagree. It would be interesting to know how many nations with which we have trade agreements have minimum hours of labor comparable to ours.

Do the nations with whom we have trade agreements have to meet our standards affecting health and safety, such as sanitation, lighting, safeguards from dangerous machinery and chemi-

cals, compensation for injuries sustained while at work, insurance of health, insurance against unemployment, pensions or insurance against old age, extra pay for night work, special provisions prohibiting limiting or regulating child labor and special laws to protect working women? Laws and regulations such as those I have enumerated enter into the cost of production in the United States. I know of no other nation with comparable requirements. These wholesome laws will have little effect in protecting our labor standards if importing nations can ignore them.

I am firmly convinced that instead of the vast maze of confusing schemes to dominate or to overplay our part of leader throughout the world it would be a much wiser policy for commercial economic treaties to include all such reciprocal concessions as may meet the judgment of the legislative branches of the different countries in which the people make their own policies.

The Congress of the United States should express the mature judgment of the people.

We have had much talk during the last decade or more about tariff rates under the act of 1930. Yet, twice as many items or commodities were placed upon the free list as were made subject to duty. One more reduction, such as is contemplated, and this with the action planned at Geneva in April will bring free trade to the United States. It has been well demonstrated that unless the cost of production here and abroad of articles entering our market is taken into consideration and adequate protection provided for our producers against low production costs abroad there will be a steady decline in the production of those articles here.

I claim it is folly to ignore the items of cost that enter into our production in this country as against the cost of production of competitive articles abroad.

For instance, postal service here is operating at a deficit, an item which enters into the cost of production. The same is true of good roads, education, health, and sanitation and a host of other expenses which other countries do not have to meet at the same high level of cost as we do here.

Is it to the interest of our Republic to entrust the State Department, in view of its infiltration by Communists, with negotiations relating to our trade with 18 foreign nations?

I believe in the sanctity of our constitutional principles in the conduct of both our domestic and our foreign relations. I did not come here as a horse trader, but as a legislator sworn to preserve, protect, and defend our Constitution. The jurisdiction of trade agreements relating to revenue is a subject of legislation that must originate in the House, unless and until what are now passed off as trade agreements are raised to the dignity of treaties.

If it is to our benefit to lower a tariff rate here or there, and if it can be shown that it would really benefit us, and that such reduction would be in no way injure domestic producers or interfere with the American right of free enterprise, then let Republicans and Democrats alike

combine to reduce that rate. Let it be done in good order and with dignity, with all the facts on the table. If flexible tariffs are required, then let them be adjusted by experts and after a full and proper investigation. This petty bargaining by men who know nothing of commodities and too much of secret diplomatic horse trading cannot possibly result in anything but the creation of world-wide barriers erected solely or largely for the purpose of betting them against those of other countries.

Can it be to the interest of our Republic to entrust the future of hundreds of domestic industries, many of them founded in blood and sweat, to a handful of Communist-minded self-admitted internationalists? Surely it has become evident by this time that the further this country departs from our traditional foreign policy of nonintervention in the political affairs of other countries, the greater will be the cost in lives, industry, and prestige.

Many of the 18 foreign nations at the proposed meeting in Geneva will represent ideologies in utter conflict with the philosophy of our Republic. Is it this fact that has finally caused the Chief Executive to finally awaken to the fact that all the trade agreements entered into, except one, contained no safety provision to prevent the wiping out of a vital domestic industry? He has said that anyone who thinks he has the power to limit or stop imports that may be destroying an American industry and putting American labor out of work is "laboring under a fundamental misapprehension." To paraphrase, "Your cause may be just, but I can do nothing for you." And all this time vital information concerning our trade-agreement program is kept from the public, which is being propagandized and misled, while the information it cannot get is handed out to foreign nations.

I claim for myself and for the people of this great country the right to vote on such a vital issue as whether we shall have absolutely free trade, the obvious object of this whole program—so obvious, in fact, that they flaunt it in our faces. I quote the exact words of one of the panel members hearing testimony for the Committee for Reciprocity Information. Discussing the present program, he said:

The answer in the ultimate would be no tariffs at all, complete freedom from controls. It is just one part of a whole pattern and working toward trade freedom and free enterprise in trade.

Gentleman, I warn you as I have done before, that the industries of this country are hanging by a thread, and that thread is being frayed more and more as these trade agreements are forced upon us and upon other nations by a group which admittedly would sacrifice the sanctity of the American way of life for a mess of foreign-brewed pottage.

I want to call your attention to another very vital proposition now before this country. In my comments about copper shipped to Japan, at a time when we should have had all of those resources here to build up for the war that was coming, there were sent out of this coun-

try over 358,623 tons of copper. Now, let us see how these silly, stupid theorists and Communists down in the State Department acted, urging exports to build up a fake program, and what that has done to our country at the present time. When I mention that amount of copper I am not mentioning the amount that was shipped to Germany, and I traveled abroad on a ship that was loaded as heavily as they could load it with copper for Germany 6 weeks before the war. Then there was what we sent to Italy, but that which was sunk at sea, has not been mentioned.

You members of the Ways and Means Committee will recall when we wanted to get ready for war we were so stripped of all these essential war materials. Take scrap iron alone. The State Department came before our committee and wanted us to remove the tariffs so they could send junk dealers down to Central America, down into the Caribbean Sea area and into South America to tear up old sugar mills, abandoned sugar mills, and other steel scrap to be shipped here so that we could begin to really prepare for our own entrance into the war that we saw coming.

Now in regard to the copper. You will recall that the school children of this country were required to contribute copper pennies for war purposes. The people are still flooded with iron pennies because the copper had been exported to our enemies. Today, according to all the reports that are pouring in from industries, as the Members of the House know, copper is reduced to the vanishing point. Every industry of consequence in this country may soon be slowed down for want of copper. Some are slowing down now. Now, we have to get away from this group down in the State Department who have done such a disservice to our country. We would not have been short; we would have had enough to take care of ourselves and our Allies and still enough to run our factories at full employment for many months hence if they had not ignored the vital interests of our country. Our automobile concerns and others are desperately short of copper. They are not in shape to go ahead without copper. This Congress, if it has the vision, which I believe it has, will have to come to the relief of industry and labor. A supply of copper will have to be found or our country will take a nose dive. There is no bureaucrat wise enough to meet the problems of the Nation. He may have the highest degree in his college, a Phi Beta Kappa key, or what not; yet when he comes out of college and goes to the bureau, perhaps saturated with communism, and starts to formulate the industrial policy, the economic policy of this country, and also attempts to run our foreign affairs, the ultimate result is too dangerous to contemplate.

Copper is holding up the housing for our veterans. We all know now, of course, that the housing program that was brought in here and passed has been a failure. But even so, neither free enterprise nor the Government has copper. Pipes and plumbing and the various articles which are needed are not available. We are paying the price of bureaucratic

bungling and we are bound to pay a price and a serious price which is now endangering and will continue to endanger our Nation. Time and again the businessmen have come here, like the people who need copper, for relief only to find shortages from bureaucratic ineptitude. Congress can hear the evidence and act for our citizens but for them to seek relief from bureaucracy is fatal to their business. But what do they do behind the iron curtain down at the State Department? The time has come when we should speak for the sovereign people who, in the aggregate, know what is best for this country.

Mr. JENKINS of Ohio. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. WOODRUFF].

(Mr. WOODRUFF asked and was given permission to revise and extend his remarks.)

Mr. WOODRUFF. Mr. Chairman, the gentleman from New York [Mr. REED] has given us some very shocking information. It will startle the people of this country when they learn that many of the half-truths and misleading statements they have heard regarding the question before us were paid for by a high-pressure professional registered lobby.

One cannot blame an honest American citizen, who believes in world peace and a maximum of beneficial world trade, for supporting legislation which he believes would promote those interests. He will not be happy when he learns that he has been misled by a high-pressure lobby employed by those who are more interested in profits of huge exports than in a well-balanced American economy.

Most of the industries supporting the pseudo Trade Agreement Act and its long-term extension are enjoying huge profits because of their exports. That the American taxpayer and the small-business man of the country are paying "through the nose" for those shipments abroad seems not to stop their clamor for more exports and more profits.

I call attention to the firms behind the highly paid professional lobby which is endeavoring to continue the President's autocratic power. International this—and international that—all through the list of supporters you will find huge American companies operating internationally. It makes little difference to them whether they support American labor or foreign labor as long as they reap their profits.

Now, what about the average small business man? I am sure there are some who support the administration's plan for an unimproved, unlimited extension of the President's power to make trade agreements. Undoubtedly the big majority of those who do happen to favor outright extension have been misled by this lobby into the belief that it is necessary for the peace and prosperity of this country.

The bill before you, rather than being a hindrance to the peace and prosperity of this country, is an affirmative step in the direction of a more secure world and a

more prosperous economy for our own country. No high-pressure lobby can prove the contrary.

Our President, like his predecessor, continues a drive for unlimited, unrestricted, autocratic power. Just where small-business interests fit into the picture rests completely in his hands. A large proportion of the fabulous exports from this country consist of unnecessary and unneeded items shipped to various countries. Bear in mind that you and I and the small-business man are paying through the nose for those exports. We are not exporting in the real sense of the word, for although these huge international companies reap greater harvest, the money came from our own tax collector.

The Tariff Commission has always considered the interests of the domestic consumer, the domestic producer, and importer and the exporter. Its reports have been unbiased and favored no particular class. There is no Government agency better qualified than the Tariff Commission to indicate how low a tariff may be cut without endangering our domestic industry. Small business cannot be blamed for mistrusting our State Department. They have been on the giving end for 14 years and have given up hope of receiving anything from our diplomatic negotiators who are so involved in international affairs that they seem to have forgotten there is a United States.

It is shameful that the American people can be open to the propaganda devised by a professional highly-paid lobby supported by a few international industrial firms which believe in free trade and which desire to continue their abnormal exports at the American taxpayer's, worker's, and producer's expense. The disclosure of Mr. REED is timely indeed.

If we are to continue to be a diversified country, where man may labor at the profession of his choice; if our economy is not to be regimented, then we must vote for this bill.

Mr. JENKINS of Ohio. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, what this House is faced with now is a choice of one of three things: We either can do nothing at all by defeating all the legislation that is before us, an act that I think would be completely irresponsible, and one which I hope very much that this House will not take; or, we can vote for the motion which undoubtedly will be made for recommitment to extend the existing law for 3 years exactly as is; or, we can vote for the bill as proposed by the Committee on Ways and Means.

During this discussion it seems to me that many statements have been made, particularly on the minority side with respect to this proposal that is now before us, which are entirely beside the point. The point is whether or not we are going to extend reciprocal trade agreements for a period of 1 year, and to what extent, if any, we are going to change the machinery for the initiation of those agreements. That machinery, as I see it in this proposal, is changed in very minor particulars, but in particu-

lars that in my opinion will allow the policy enunciated therein to become perhaps a permanent policy of this Government. During the last 14 years the Executive has been given by the Congress complete power within brackets set by the Congress to initiate any type of trade agreement that he has seen fit. We extended those brackets from 50 percent, which existed between 1934 and 1945, to an additional 50 percent of the 1945 rates only 2 years ago. During that period trade agreements have been negotiated with almost every country in the world. There are only a few left with which such agreements have not been negotiated. Apparently the administration itself feels that we have gone as far down in cutting tariffs as it itself would like to go. Hence, why this worry in regard to this new procedure which makes only two changes. One, it substitutes by law the Tariff Commission as the committee which recommends to the President how safely he can change the existing tariff rates up or down, without doing one of two things, namely, seriously injuring or threatening to injure American business or injuring our national defense. That is the first change. Secondly, the President initiates agreements exactly as he does today, but if he goes beyond the limits recommended by the Tariff Commission—and I think every friend of reciprocal trade agreements will admit that we have practically gone to the limit already—if he exceeds the limit recommended by the Tariff Commission, he submits the matter to the Congress with his reasons for doing so—and presumably they would be very good reasons if he has done so—and then we would have the opportunity of vetoing the agreement, as I think we properly should. Otherwise, if we do not act within 60 days the agreement becomes law.

My friends on the right side of the aisle here have been talking about the effect of this on our relations with peoples overseas. In my opinion there has been a tremendous exaggeration as to the effect of the change that is proposed here on our friends overseas. It is only if they are told what is not the truth from the document that we have before us, that this country is shifting entirely its policy of negotiating trade agreements, that there might be some effect, and what disturbs me most in this entire debate is the position taken by our Democratic friends that we are doing irreparable damage as far as the world itself is concerned. If one reads the text of the document there is absolutely no justification for that position. I regret, therefore, that this has become a partisan matter, since I think by and large the proposal that has been recommended here by the Committee on Ways and Means is one not only in our interest but in the interest of maintaining a stable policy which the Congress, I hope, will go along with for many years to come.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. CHAPMAN].

Mr. CHAPMAN. Mr. Chairman, I am opposed to this bill, which is the death

warrant of the reciprocal trade agreements program. It is the handiwork of those who have always been against this great program, the continuance of which is vital to the prosperity, peace, and general welfare of the United States. The reciprocal-trade program is the monumental accomplishment of an illustrious former Member of this body, the eminent former Secretary of State, Cordell Hull. It was of great importance when it was recommended by a Democratic President and enacted by a Democratic Congress in 1934. It is much more important and necessary now. The program has been continued by act of Congress four times since the original enactment, and every time except in 1943, in the midst of world war, a large majority of the Republicans have voted against this vital measure for international trade and friendship.

The enemies of reciprocal trade agreements do not have the courage to kill this great program outright. They dare not formally terminate it. They are afraid to let it expire June 12, as it will unless renewed. The country will not be deceived by this delusion and sham. Its enactment in this form would be only a nominal extension with hamstringing limitations that would render it ineffective as the basis of world trade and international good will. It would practically nullify this great program as an instrumentality of prosperity and peace.

Our Republican friends are deceiving only themselves if they think they can deceive the American people by this flimsy pretext of continuing the reciprocal trade program. It is apparent that they are acting in bad faith. If they were not they would support the bill introduced by the gentleman from North Carolina [Mr. DOUGHTON], favored by all of the Democrats on the committee, for a 3-year extension. If they were acting in good faith with the American people they would not propose this unworkable plan. They would not have held a star-chamber hearing, and they would not have adopted this gag rule forbidding amendments, if they did not intend to render virtually impossible the negotiation of reciprocal trade agreements.

BACK TO LOGROLLING IN TARIFFS

It is obvious that the present isolationist, reactionary national leadership of the Republican Party—those who dominate its councils and dictate its policies—are still living in the era of Mark Hanna and McKinley, and have not learned a lesson from two devastating world wars and a never-to-be-forgotten depression. This is a sample of what they would do if they were entrusted with a long lease on power. They would go back to the "good old days"; back to "normalcy"; back to logrolling in tariff making; back to the methods of the Hawley-Smoot tariff, the schedules of which were dictated largely by the chief lobbyist of the tariff barons and noted gatherer of Republican campaign funds, their "Uncle Joe" Grundy, who brazenly stated to a senatorial committee that his purpose was to write such a bill as would return a profit to large contributors to the Hoover campaign chest of 1928.

MY SPEECH 16 YEARS AGO

On January 9, 1932, in a speech in this Chamber, I said:

Foreign trade is a system of barter. If we sell, we must also buy. By enacting into law the prohibitive rates of the Hawley-Smoot tariff they erected a Chinese wall around American ports, which constitutes an insuperable barrier to our profitable foreign commerce. They closed our markets to friendly foreign customers, and month by month our favorable balance of trade, which Mr. Hoover said was the basis of our prosperity, is slipping away. In return 40 nations have raised tariff walls against American products, and many of them are undisguisedly intended as measures of reprisal. They have closed their doors in our faces.

Those countries to which we said by this act of legislative folly: "We do not want to trade with you", those to which we said, in the words of President Hoover, "We are able in considerable degree to free ourselves of world influence and make a large measure of independent recovery because we are so remarkably self-contained"—those countries have ceased to purchase the surplus products of American farms.

* * * * *

This law which has wrought havoc in industry, driven hundreds of factories from American soil, augmented the ranks of the unemployed, and destroyed the farmers' markets is recognized generally as a colossal economic blunder. * * *

America is a peace-loving nation and cherishes the laudable aspiration to avoid future wars, with all the suffering and horror that accompany them and their aftermath. Most wars have been economic wars, and who can be so blind as not to see that there are germs of war in economic reprisals such as are involved in retaliatory tariffs of the kind being levied against us by more than 40 nations as the direct result of this legislative iniquity—the Grundy-Hoover tariff?

REPUBLICAN TARIFF DESTROYED DARK TOBACCO MARKETS

A striking example of the effect on American agriculture of a liberal dose of Hawley-Smoot tariff tonic is the calamity it inflicted on dark and burley tobacco growers of Kentucky and other States. The principal money crop in western Kentucky and Tennessee for generations has been dark tobacco, largely an export product. The district that has long honored me with membership in this House is the greatest burley tobacco producing district in the world, and Lexington, its center and metropolis, is the largest loose-leaf tobacco market in the world. Burley tobacco is also the principal money crop of a part of Tennessee, Virginia, North Carolina, Missouri, Indiana, Ohio, and West Virginia. Burley is, and was then, used largely for domestic manufacture. When the Hawley-Smoot tariff caused the collapse of American commerce, and closed the American markets to the countries that were the more important purchasers of dark air-cured and fire-cured tobacco, it also virtually destroyed the foreign market for those types of tobacco and prostrated the dark tobacco industry in America. Those farmers, accustomed for generations to depend on tobacco as their money crop, with their markets destroyed, knew no alternative except to resort to the cultivation of burley tobacco, for which there was a domestic market, with the result that every pound of burley grown in the dark tobacco area

diminished the price of every pound grown in the burley area, and depreciated the value of every acre of land in the great burley belt, as a consequence of which both burley and dark tobacco sold for less than the cost of production and thousands of farmers in Kentucky, Tennessee, and other tobacco-growing States were unable even to pay their taxes.

This bill authorizes tariff schedules even 50 percent higher than the rates of the Hawley-Smoot Tariff Act of 1930, which paralyzed American industry, wrecked American commerce and impoverished American agriculture.

In that same speech in the House of Representatives on January 9, 1932, I advocated an international economic conference which I said I believed "would go far in promoting friendly reciprocal trade agreements, in lowering discriminatory and prohibitive tariff walls, in bringing a return of prosperity to our country, and in advancing America to practical realization of the Jeffersonian conception, expressed in his immortal first inaugural address, of 'peace, commerce, and honest friendship with all nations.'"

THIS BILL IS RETREAT FROM LEADERSHIP IN PEACE

The reciprocal trade agreements program is vital and essential to our plan of international cooperation and fundamental in our aspiration for world peace. We recently participated at Habana with 52 other nations in the United Nations Conference on Trade and Employment. We are 1 of 23 nations, representing two-thirds of all the foreign commerce in the world, that negotiated trade agreements at Geneva last year, the most far-reaching trade program in history. We have adopted the Marshall plan for the rehabilitation of the industry, the employment of the people, and the economic recovery of the free nations of western Europe, so recently seared by the flames and riven by the plowshare of war. It is a great forward movement for enlightened and peaceful international cooperation. We must continue to go forward. Under the terms of this bill we would beat a hasty and ignominious retreat. If it becomes a law the news will be flashed around the world that this great Republic has abdicated its exalted position of leadership in striving for friendly commerce and international good will.

(Mr. CHAPMAN asked and was given permission to revise and extend his remarks.)

Mr. DOUGHTON. Mr. Chairman, I yield 9 minutes to the gentleman from Michigan [Mr. DINGELL].

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Chairman, I think it might be proper to go over this situation generally and in review to drift back to the period of 1928 to 1932 and bring it up to date. You remember the hilarious era of 1928 to 1932, that Hooverian era of the economic joyride sponsored by the Grundyites, the Smoot-Hawley adherents, and the sanctimonious Tariff League. The plunder bund at that time ran riot and brought ruin

and left a trail of broken hearts and suicides from one end of the country to the other. You remember those bays: Bankruptcy on all sides and among all classes, banks closed, factories boarded up, sheriffs' sales of farms in every State in the Union, and apples, instead of being sold in bulk in foreign markets, were peddled piecemeal by the unfortunate workers on the street corners of our big cities. Apples once again became a symbol of weakness and desperation. Those were the days when the rank and file both among individuals and business were down and out, but the plunder bund, thanks to the Tariff League credo, were prosperous, they were, in fact, bloated, they were satisfied under the Smoot-Hawley Tariff Act.

Then in 1932 the people of the United States were fed up. They got wise, and they voted and they turned the rascals out. In 1933 the Democrats came in, Roosevelt and the great Cordell Hull, from the rugged hills of Tennessee, at his side. What an inspiration that man was in his advocacy of the trade agreements. He took on all comers before our committee. He smacked down the opposition one at a time. They were no match for him at anytime. It got so that not one of them dared to challenge him when he spoke because he had the right answer for everyone who dared question his wisdom.

We revived stagnant trade and industry by way of the trade agreements, and prosperity returned to America. Our products, the products of the farm and of the mine and of the bill, as the barriers were reduced, were sold in the markets of the world in ever-increasing quantities. That brought prosperity to all. But the plunder bund, the Tariff League, the Smoot-Hawley boys, and the Grundyites, of Pennsylvania, were a sullen, sorry, disappointed bunch. So they wormed their way in once again, and in 1946, after a cleverly concocted scheme whereby the people of the land were misled, they succeeded in electing a majority of both Houses.

How this was brought about is a matter of history. You remember that we had a dozen or more unofficial Republican smelling committees going all over the Nation raising Cain about the high prices of food and the shortage of sugar and the lack of this, that, and something else, and they talked about the housing shortage. Why, bless your heart, they even sent a spokesman for the American Legion into Detroit to carry on some kind of hearings there during the last campaign. He charged the administration with all the sins of omission and commission that you could think of. He charged even that we were hoarding building supplies because somewhere or other someone discovered 10 kegs of nails in a Government warehouse. They misled the people into believing that the shortages and high prices were all the fault of the administration then in power, and that the salvation of the people lay in the hands of the solicitous Republicans. These committees held unauthorized, fake, partisan hearings. I presume these were financed by the Republican National Committee, because

they traveled all over the country and for impressiveness held their spurious meetings in courthouses and the like and made the people believe that they were carrying on a bona fide investigation. It was just a lot of bunk and propaganda to mislead the people. At any rate, they succeeded in pulling the wool over the people's eyes. Then, after they came into power and killed the OPA, raised prices, gutted the Housing Act, and otherwise wrecked the set-up hereabout, they are now out for big stakes. The plunder bund must be satisfied right down to the last dime and nickel in the pocket of the American public. The trusting people are now being led to the slaughter by a Judas goat. But this frolic is not going to last forever. Once the American public get wise to the direction in which they are being led, there will be another day of reckoning. Once again the tide will turn and the situation will be corrected. It appears as ridiculous to me that the majority report covers scarcely more than one page actually dealing with the move before us, while the minority report covers comprehensively the remainder of the 18 pages of the report or 13 pages of sound reasoning applied as to why the bill should be killed and the trade agreements extended for the full period of 3 years.

This report contains a list of newspaper articles and refers to a large number of intelligent, able, and well-known commentators, all of whom are in favor of extension of the trade agreements. For the most part, these people are writing for Republican newspapers. There is one paper that very few people know about; it is conspicuously absent from the list; it doubtlessly carries an awful lot of weight—not in its own environs, not in its own home State, not in its own great metropolitan area of 2,916 population, and you probably never heard about it—it is the Wadena (Minn.) Pioneer Journal.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. LYNCH. Mr. Chairman, I yield an additional 3 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. This paper is published by the distinguished chairman of the Ways and Means Committee. It does not cut much of a figure in its own home town, but evidently carries a lot of influence in this chamber, particularly with the majority members of the Committee on Ways and Means who had the courage to bring this bill before the House.

Seemingly, the majority members of the Ways and Means Committee and the well-whipped and well-disciplined members of the majority who attended yesterday's Republican caucus—I am surprised that any of them can be sitting down today after the lashing they got yesterday to get into line—it does not make any difference to them, I say; but the preponderance of evidence presented before the committee over the question of extension of the trade agreements every time it came up, and presented by consumers, producers, merchant, manufacturers, bankers, ship-pers, farmers, workers, publishers, cham-

bers of commerce, trade and business organizations, labor organizations, all of those representing billions in investment and millions in employed, in overwhelming numbers favored the extension of the Trade Agreements Act. But evidence did not cut any ice. The word went down from the "plunderbund" that "We have had enough of restriction. We want to be free henceforth."

Mr. Chairman, the bill now before us, H. R. 6556, is strictly a one-way high-tariff bill. Section by section it points toward tariff levels even higher than the iniquitous Smoot-Hawley tariff of 1930 which helped to bring on and intensify the worst depression this country has ever seen. It is part and parcel of the tariff policy which, in the early 1930's, drove workers from jobs to bread lines, wrecked American foreign commerce, and bankrupted American farmers by the thousands.

Brought here under the flimsy disguise of a measure for extending the reciprocal trade-agreements program, it is actually and brazenly a weapon for killing the program. To enact this bill would amount to handing the old high-tariff crowd a set of loaded dice and telling them the sky is the limit.

This bill is designed solely to pacify, shelter, and cherish a minor segment of the American economy which wants to shut out all competition from abroad. It is designed to do this without regard to the welfare of a much larger portion of our national productive capacity, which would eventually find both its domestic and its foreign markets drastically curtailed if the bill should pass.

More than two and one-third million American industrial workers depend, for their jobs, directly or indirectly, on exports. This bill would do nothing whatever to enlarge or maintain the foreign markets for their products. Many of the most important agricultural enterprises in the United States—wheat, cotton, tobacco, corn, and hogs, and fruit, for example—must have foreign markets to absorb their full production and give decent prices to farmers. This bill would do nothing toward maintaining or improving those markets. Under the provisions of this bill a few enterprises of comparatively small importance in relation to the national plant as a whole would be given excessive tariff protection at the expense of consumers, farmers, and efficient manufacturing industries which give employment, pay the highest wages, and create buying power in our great domestic market.

This is a vital, dollar-and-cents matter to every citizen of my own State of Michigan—whether he is an industrial worker, a farmer, or a businessman. Foreign trade is of major importance to Michigan. The automobile industry's stake in foreign markets goes back many years. One out of every 10 automobiles manufactured in the United States has been sold abroad. The most important Michigan economic enterprises, in addition to the automobile industry, produce goods of the kinds which the United States exports. In this list we include our iron and steel products, electrical and other machinery, meat products, wheat and

flour, fruits, wood and wood products, and many others.

In 1939 Michigan enterprises of the type I have described produced goods to the value of more than \$3,500,000,000; they employed more than half a million people; and they paid out \$813,000,000 in wages and salaries. The pending bill would not benefit these industries nor the people they employ and support. It would injure them, threaten their domestic and foreign markets and their jobs.

American exports are now running to more than twice the value of imports, but the whole philosophy of this bill is to cut down still further the imports. The bill totally ignores the fact that if American producers are to be paid for the things they are sending abroad it will have to be in the form of imports from abroad. Otherwise it will be a case of giving away our goods. This simple fact does not penetrate the consciousness of the authors of this piece of legislation.

The high-tariff apostles have forgotten, if they ever understood, what happened under the Smoot-Hawley tariff policy, but they want to go back to that policy. They have steadfastly refused to face the fact that the reciprocal trade-agreements program is an effective means of getting away from the conditions into which we were plunged by the 1930 tariff act. For the sake of a few, at the cost of the many, they want now to kill the trade-agreements program. If this bill becomes a law, they will have succeeded.

The first provision in H. R. 6556 purports to extend the authority of the President for negotiating trade agreements by 1 year only instead of for the 3 years which have become customary. The framers of this bill put in that provision simply because they were well aware that in 1 year it would be almost impossible to gather the data, make the investigations, and carry out the negotiations involved in a trade agreement of any importance. They know that under past procedure most agreements required a full year or more to formulate and negotiate.

But to make sure of their objective, they have piled up new, cumbersome, and confusing procedures. They have required that the Tariff Commission hold extensive hearings on lists of items on which concessions are to be considered, and that it report to the President how far and for how long he might reduce tariff rates on those items. At the same time the bill specifically prohibits the Tariff Commission from taking part, as it always has, in decisions or negotiations. That prohibition deprives the interdepartmental trade-agreements organization and the President of the highly expert help of the Commission.

In prescribing the hearings and the report which will be required from the Tariff Commission the bill takes no account of any interest in the national economy except those enterprises that are seeking to maintain or increase their tariff protection. Export industries would have no place at these hearings to suggest concessions which might be obtained from foreign countries for the benefit of American trade. All that the

Commission could consider and report on is the maximum change in import restrictions which could be made in the agreement. The Commission would have no chance to suggest any tariff cut which it might consider reasonable and desirable. The six other Government agencies in the trade-agreements organization would have no opportunity to question witnesses at the Tariff Commission hearings or hear the reasons they might offer for opposing tariff reductions. The Tariff Commission alone, instead of the seven executive agencies which now participate in formulating the agreements, would have to take the whole brunt of the tariff-lobby attacks. High protectionists would like this opportunity to press for their own advantage, but the general welfare of the country would suffer.

The Committee on Reciprocity Information, representing all the trade-agreement agencies, holds public hearings that implement the requirement in the Trade Agreements Act to give full opportunity for any interested person—consumer, exporter, importer, or producer—to give his views on a proposed agreement. In providing for separate hearings by the Tariff Commission, H. R. 6556 would duplicate in large part the CRI hearings. Thus it would double the burden and confusion of businessmen and others who wished to offer their views on a given agreement.

Section 5 of the pending bill is a revealing and an important example of the direction in which the authors of the bill would like to go. It provides that a tariff could be increased in a trade agreement to as high as one and one-half times the 1930 Smoot-Hawley rate. On the other hand, a tariff reduction cannot be more than 50 percent of the rate in effect on January 1, 1945. It would be possible, under these provisions, for some existing tariff rates to be raised by 500 percent, to six times what they are now. The only purpose of pointing out these facts is to show where the wishful thinking of the authors of the bill would lead them.

If all this were not enough to show this up as a high-tariff bill and nothing else, that old and threadbare proposal of the congressional veto is dragged in again. This congressional veto proposal is deliberately intended to be the straw to break the camel's back when it is piled on top of the 1-year extension, the Tariff Commission veto power, and the new and awkward procedures. Opponents of the trade-agreements program want to kill it and any other program for reduction of barriers to international trade. If one device does not do the job they hope another one will.

The Tariff Commission is an executive agency, its members appointed by the President. Under the provisions of the pending bill the President, if he decided, in the national interest, not to accept the recommendations of his own appointees, would have to let Congress decide between him and them. That is not good administration nor good government.

It is doubtful whether any trade agreement containing substantial concessions, once laid before the Congress, could be

put into effect. But there is no doubt about what would happen here the moment the agreement reached Congress. The instant result would be a swarm of special-interest lobbyists descending on Congress and an avalanche of demands that the agreement be turned down. The old log-rolling and tariff bickering would move back into the capital.

There is far more at stake in this bill than the reciprocal trade-agreements program. This Congress has authorized the pouring of billions of dollars into the European recovery program. The ERP legislation requires the countries which share in American assistance to lower their barriers to trade among themselves and with other countries. But H. R. 6556 would make it difficult if not impossible for the United States itself to do the very thing which it demands that the European countries do. Unless ERP money is to be poured down a rat hole, sound commercial trade in Europe and with this country must be restored and expanded. A workable trade-agreements program will bring this about and thereby make it possible for us to be repaid, in part at least, for what we are sending to Europe. H. R. 6556 does not provide for any such program. The policy and philosophy behind H. R. 6556 would make expansion of world trade impossible.

This bill is not a bill to extend the reciprocal trade-agreements program as a continuing means of sound international cooperation toward expanding sound world trade through reduction of trade barriers. It is a sham and a repudiation of our economic foreign policy which will cost us dear.

Foreign countries are watching to see what we do. Only by a genuine and effective extension of the reciprocal trade-agreements program for a full 3-year term, without these amendments in H. R. 6556 which so obviously render it unworkable, can we retain their confidence and cooperation in a policy which, for 14 years, has served us well.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. DINGELL] has expired.

(Mr. DINGELL asked and was granted permission to revise and extend his remarks.)

Mr. JENKINS of Ohio. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Chairman, I am very fond of my good friend, my distinguished colleague the gentleman from Michigan [Mr. DINGELL]. I do not agree with him today; however, our personal relations are such that we can honestly disagree without being disagreeable. Former tariff debates, between those who believe in a protective tariff and free-traders, have no place in this argument.

The so-called Reciprocal Trade Act has been in force for approximately 14 years. This legislation in no way attempts to destroy or repeal that act. When this act was placed on the statute books our Government embarked upon an unknown sea. We had no landmarks, bell buoys, or fog signals placed to guide our course. The administra-

tion was given carte blanche authority with very few limitations to enter into these agreements. The whole thing in the beginning was an experiment and only proposed as such. Its proponents did not ask for permanency but only a period of trial. On different occasions the trial period has been extended, the last time in 1943. I voted for that extension.

True, world conditions have been abnormal. Ordinary economic policies have not prevailed. Things have been unsettled and unstable and the necessities of war have controlled not only in this country but in every nation on earth. The present trade agreement law will expire on June 12 next and, unless some action is taken by the Congress, all trade agreement authority will cease. Personally, I do not want that to happen.

I realize that the House is divided into three groups: First, the free-traders who would wipe out all legislation involving any protective tariff principle. Mr. Chairman, I believe there are few in this group at the moment.

Second, there is the group that would return to the highest protective tariff ever prevailing in this country. This group is negligible.

In between there are those who realize that our country cannot always sell and never buy from our competitors. We want international trade but we do not want this trade badly enough to give any political group authority to destroy American industry for the express purpose of developing temporary commerce with other nations. I am confident that a majority of our Membership belongs to this third group. Let us keep the good provisions of this act and improve the law.

Mr. Chairman, there are not enough votes in the Congress to continue the present authority of the Executive to make these agreements without further limitation, and by the same token there are not enough votes in the Congress to repeal the present law. In short, unless there is some compromise there will be no extension of this act. A vote against any change is a vote to kill the law. It would therefore, seem to me that common sense dictates the early adoption of the pending bill—admittedly a compromise, yet a wholesome and a safe one.

The real change proposed, is in the administrative machinery provided. This has been fully and adequately explained by members of the Ways and Means Committee. To me the really fundamental change is the elimination of the Committee of Reciprocity Information and the transfer of the functions performed by that committee to the Tariff Commission.

The CRI is a political group operating within the executive departments, the committee members being named by the Executive or the heads of the respective executive departments, without confirmation by the Senate and, in fact, without public notice. They may be purely political appointments. A Republican administration, happening to be in favor of high tariffs, might have one group of political negotiators, while a Democratic administration, opposed to all protective

tariffs, would have another type of politicians.

Now, on the other hand, the Tariff Commission is an established agency and has the respect and confidence of the people of the Nation. Created by law a number of years ago, it is nonpartisan or entirely bipartisan. The members of the Commission are named by the President and confirmed by the Senate. There must be three Democrats and three Republicans on the Commission. This is a scientific group and has never been accused of being politically partisan. We all have faith in the findings of the Tariff Commission. Now, if this is true, then why should there be objection to having these proposed agreements investigated by the Tariff Commission and approved or disapproved rather than by the purely political Committee on Reciprocity Information? To me there is but one logical answer. The report of the Committee on Ways and Means gives in parallel columns the exact changes made in the present act by the pending bill. This illustration should be most helpful and is as follows:

OPERATION UNDER PRESENT METHOD

1. State Department announces intention to negotiate an agreement and the items to be considered.
2. CRI, established by Executive order, composed of representatives of interested executive departments, announces hearings.
3. Hearings before CRI.
4. Trade agreements (interdepartmental). Committee formed by Executive order considers evidence, item by item, and reports to the President.
5. President approves or modifies Trade Agreements Committee recommendations.
6. Negotiations by State Department.
7. Agreement signed.
8. President proclaims new rates.

OPERATION UNDER PROPOSED METHOD

1. No change.
2. President transmits list of items to Tariff Commission and directs that agency to make a study of each item. Tariff Commission announces hearings.
3. Hearings before the Tariff Commission.
4. Tariff Commission considers evidence and transmits report of findings to the President. No Tariff Commission members to be on Trade Agreements Committee, but Commission required to cooperate fully throughout negotiations.
5. President approves or modifies Tariff Commission recommendations.
6. No change.
7. No change.
8. If the rates in the tentative agreement fall within the competitive area found by the Tariff Commission, the President may immediately proclaim them. If the Tariff Commission report is not followed, then the President may not proclaim the new rates until Congress has had opportunity, within 60 days, to object by concurrent resolution.

Mr. Chairman, it is easy for the demagogue to shout "crippling amendments." Those amendments are not crippling. They are strengthening and perfecting instead.

We live in a new era so far as tariffs and export and import duties are concerned, and we might as well face the realities as they are. I am satisfied that our country could not have attained its present dominant place in the world, with the highest standard of living of any people on earth, without our protective tariffs during the development of our industries and our country. These aids and safeguards should not be scrapped. Amendments and changes should be made where conditions and times warrant. Is there anyone here who takes issue with this statement? Of course not.

Carping criticism and political maneuvering have no place in this debate. I do not think that reciprocal trade agreements made under existing law or the proposed law will be very vital during the life of the European recovery program. That law gives the President much authority so far as exports and imports are concerned. That law will be subject to reappraisal on June 30, 1949. Reason and logic convince me that it will be sensible to extend the act we are now discussing so that it will expire about the same time. In the interim, there will either be a stabilization of world economic conditions or we will be in war, and reciprocal trade agreements, peacetime relief, recovery efforts, and all of that, will be subjugated to the necessities of war.

In short, I am persuaded that the Reciprocal Trade Agreements Act should be extended in some form for a limited period and this bill, which will pass the House today, is the best solution of a difficult problem. We must all give and take. As I have so often said on the floor of the House, we would have had no Constitution if the framers had resorted to petty personal differences and sought political advantage rather than the best compromise obtainable. As a practical matter, a vote against this bill is a vote to let the present law die on June 12. I do not want that.

Mr. Chairman, I shall vote for this bill as reported by the committee, and in so doing feel that I am unquestionably acting in the best interests of my country and the world.

(Mr. MICHENER asked and was granted permission to revise and extend his remarks.)

Mr. JENKINS of Ohio. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, the question of the levying of tariffs is the oldest of all our political issues. It has been an issue ever since the Constitution was adopted—yes, it was really an issue before the Constitution was adopted. The question of levying duties was a very vital one even before the Constitution because the different colonies levied duties on imports from the other colonies. The fact that they did levy these duties was a source of considerable discord between and among the colonies and the matter of relieving this situation was one of the principal

reasons for the adoption of the Constitution.

When our founding fathers gave us the Constitution, they decided that tariffs and all matters connected therewith should be placed under the control and within the jurisdiction of the Congress of the United States. The Constitution says, "The Congress shall have power to lay and collect taxes, duties, imposts and excises."

As I have already stated, the levying of tariffs is exclusively a prerogative of Congress. The amount of the tariffs to be levied is a matter within the jurisdiction of Congress. Also the selection of the articles upon which the tariffs are to be levied is left exclusively to Congress. Across the years many a political campaign has been waged on what articles should be subject to tariffs and what the amounts should be and also what should be done with the money collected. This gave rise to the important issues of "protective tariff" and "tariff for revenue only."

There came a time when the tariff and its ramifications became so important and so widespread that the Republicans took the position many years ago that Congress should delegate some of the details of the collections of tariffs to the Executive Department. The matter of reciprocity in the levying of tariffs was distinctly of Republican origin. In our early history the Democrats were usually always opposed to tariffs and in favor of free trade. So it is rather unusual to find the Democrats and the New Dealers today so anxious with reference to the matter of levying tariffs and import duties.

James G. Blaine and William McKinley were pioneers in introducing reciprocity into the tariffs and trade agreements. The Republican Party always insisted that the right to levy tariffs should be retained by the Congress. When the Republicans were in power reciprocal trade agreements were made but they were subject to final approval by the Congress. The Congress set forth a yardstick by providing limits below which tariffs should not be reduced and above which they should not be raised. During the Republican administrations these limitations were observed and Congress reserved the right to give its approval. The President could only make agreements within certain limitations.

When the New Deal came into power, Mr. Roosevelt and his gang decided that the matter of levying tariffs would be a great advantage to the Executive so they decided to take it over. It was at that time that Cordell Hull came forward with his plan which has become known as Reciprocal Trade Agreements. The only new principle involved in his plan was that he, having always been a free trader, was ready and willing to take away from Congress the function of collecting tariffs. He and Mr. Roosevelt decided that they would do this job themselves. They would do it by the appointment of what they now call a Committee on Reciprocity Information. They decided that the matter of levying tariffs would become a function of the State Department. It has become a function of the State Department. Everything that has been

done in the last 12 or 14 years with reference to tariffs has been done by the State Department. The Committee on Reciprocity Information is in effect a travesty. There is no justification for it from a constitutional basis nor from an economical basis. Its only justification is that it is an arm of the Executive and does exactly what the State Department wants it to do. I challenge any one to show where the Committee on Reciprocity Information has ever done anything with the idea in mind of serving the public or where it ever has done anything of its own initiative or where it has ever done anything except what the State Department desired that it should do. One striking fact proves my statement. For instance, the Committee on Reciprocity Information is not a continuing committee—no one knows its personnel from day to day. No person who ever appeared before it was given any report or any decision of any kind. The personnel of this committee was made up at the whim of the Secretary of State. The membership served at his appointment and no doubt were advised as to what they were expected to do and what decisions they were expected to make.

Mr. Chairman, I have always felt that this situation was strange enough to be ludicrous but when I contemplate the power that these functionaries have had, I consider the situation to be more than ludicrous. It is simply awful. When we stop to think that this constitutional function is footballed around in this fashion then we can see why we ought to come back to the Constitution. I fail to see why anyone would hesitate a minute in his desire to get rid of these bureaucrats and put in their places the regularly constituted Tariff Commission which has always been a highly respected body. Ever since Roosevelt and Hull took over, the jurisdiction of the Tariff Commission has been practically nullified.

To my mind the Tariff Commission is immeasurably preferable to this uncertain unauthorized Committee on Reciprocity Information.

I am sorry I do not have time to go further into this matter. I wish to take up another matter where the New Dealers have deceived the public shamefully. I refer to their failure to give aggrieved parties a chance for their day in court. It is a great American principle of law that every wrong has a remedy. Through all of the tariff laws there runs the right of innocent parties to present their grievances. They have had a right to be heard. Under the present practices they are given the right to be heard but they are never given a decision. Countless persons and corporations have presented their views and their grievances but they are never given a report as to why their grievances have not been considered. The New Dealers have in effect represented to the country that all parties have a right for their day in court but the fact remains that not for a number of years has any aggrieved party been able to get his grievance considered by any court anywhere. In other words, as a part of this free trade New Deal program the Chief Executive and the State Department have seen to it that the matter of fixing

tariffs is altogether within the power and province of the Chief Executive and the State Department and that their decision is final in every respect and that no one, regardless of how he has been mistreated, can find his way into any court anywhere.

Therefore I say that in practical effect none of the thousands of aggrieved persons who have felt that injustices have been perpetrated upon them, have been able to get any redress in any court. In this result the Chief Executive and the Secretary of State have also invaded the jurisdiction of the courts. A complete dictatorship has been established under the New Deal in its handling of the matter of levying tariff duties.

The Geneva Conference was an invasion of the rights of the Congress by the Executive. Apparently, no good has ever come of the Geneva Conference which cost our country many millions. The conference at Habana, Cuba, during the early months of this year was practically another invasion of the rights of Congress by the Executive.

So I repeat that the present legislation which we are now considering will do away with this autocratic assumption of power by the Executive and will bring back to Congress some of the rights which the Constitution reposed in it.

Mr. LYNCH: Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. I yield.

Mr. LYNCH. Does the gentleman believe that this legislation which has been proposed here today will in anywise restore to the Congress the right to write a tariff bill?

Mr. JENKINS of Ohio. Yes, it will, and I will just take time to explain that a little. For instance, at the present time the law provides a sliding scale beyond and below which the President cannot go. We fixed a yardstick, as it were. If we pass the pending bill it will bring us back to that particular yardstick, it will absolutely fix a yardstick beyond which the President cannot go either up or down, and if he seeks to go up or down beyond the yardstick fixed by the Tariff Commission then he must come back to Congress for approval.

I am glad the gentleman asked that question because it proves my point exactly, and that is that this law does bring it back to Congress and I challenge anybody to show in the last 14 years where the Congress has had anything to do with these matters. The Executive has taken charge.

Mr. LYNCH. And if Congress does not act, the same situation prevails.

Mr. JENKINS of Ohio. Exactly.

Mr. LYNCH. The President writes the reciprocal trade agreements.

Mr. JENKINS of Ohio. Exactly. He enters into the agreements through his assistants and if he complies with the law then the agreement is made.

Mr. LYNCH. So that insofar as the gentleman's argument is concerned, the bill does not eliminate the evil he says exists.

Mr. JENKINS of Ohio. It does eliminate it, completely, and brings the President's proposed agreements back to the Congress so that the Congress, if he has attempted to go beyond what Con-

gress by law has fixed as a limit, and we can say: "You cannot go higher, you cannot go lower." The Republican viewpoint is that Congress has full control over tariffs and that when Congress has set a limit within which the President can act, that when he goes beyond that limit it comes back to Congress for action. Nothing has come back to Congress for acceptance since the Roosevelt days.

In my section of the country the manufacturers of pottery, glassware, and china have suffered by reason of these free-trade and unfair and unjust practices. When a New Dealer blatantly proclaims that no industry has ever suffered by reason of the injustices of the reciprocal-trade agreements as carried out by the Roosevelt administration, we need but to inquire of the manufacturers of these commodities. The owners of these industries are loud in their condemnation of these practices and likewise the employees of these industries, who have repeatedly appeared before the Ways and Means Committee to make their protests. In this period of inflation and high prices, the dangers of these reciprocal trade agreements are not easily discerned. Let the time come when production falls off again and the foreign countries have been rehabilitated so that they have regained their place as producers, then we will find that we must protect ourselves against foreign importations by the levying of protective tariffs.

I leave off as I began—that the levying of tariffs is a function of the Congress and that I shall be glad to see the day come again when Congress will be able to exercise its constitutional functions.

Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. COUDERT].

(Mr. COUDERT asked and was given permission to revise and extend his remarks.)

Mr. COUDERT. Mr. Chairman, not being a member of the Ways and Means Committee I naturally knew very little about this bill until the report came out and the bill came on the floor. I am one of those Members who would certainly not vote for this measure if he believed all of the catastrophic predictions made by members of the minority. If this bill should effectively destroy the Reciprocal Trade Treaty Act I should not be able to vote for it. The assurances of the distinguished sponsor of the bill, the gentleman from California [Mr. GEARHART], and his colleagues, of course, have sufficiently convinced me that this is not so.

It is not necessary, however, for any Member to rely solely upon the assertion of the majority sponsors of the bill. Fortunately, a minority report was written. The minority report is more convincing, if anything could be, than even the majority statements, of the phoniness, the utter and complete phoniness of the attacks made on the floor upon this bill by the minority Members. If you will examine the report you will find that the primary reason assigned by the minority for their opposition is the inter-

vention of the Tariff Commission. And they are opposed to that, why? Because the Commission would be required "to analyze all of the available facts and arrive at a judgment based upon such facts and on assumptions regarding such imponderables, price levels, and so forth, in the United States," precisely what the State Department is trying to do or pretending to do at the present time.

Then to cap the climax the minority report very fortunately calls our attention to the fact that the President has already brought the Tariff Commission into this procedure by the Executive order of February 1947. But the trouble with the way the President brought it in is that he has put the cart before the horse. He has put it in in such a way as to attempt to close the stable door after the horse has fled. In other words, under the Executive order, the minority report recalls, an escape clause is to be included in the reciprocal trade treaties and concessions may be withdrawn if serious injury is threatened to or done to an American industry, and the Tariff Commission is set up as the agency to investigate, to report and to recommend to the President what remedial action is to be taken to cure that injury.

Mr. Chairman, all this bill does is to put the horse before the cart where it belongs. It authorizes and directs the Tariff Commission to make that investigation before serious injury is done, not afterward.

I am satisfied that this bill is sound, that no injury is done to American foreign trade, and that the apprehensions aroused by the intemperate attacks of the minority are without foundation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GEARHART. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, I am supporting this bill. I believe it is wise and sound legislation. My only regret is that we are considering it under gag rule.

I find myself in a peculiar position on this matter. I believe that the gentleman from California [Mr. GEARHART] has brought out from his subcommittee a good bill, and that free debate and full consideration of amendments would demonstrate to the Congress and to the country its fundamental soundness. On the other hand, the leadership of the Ways and Means Committee saw fit to insist upon a gag rule, which is considered by the press and public as a confession of weakness. For myself, I have never been able to understand the psychology of a committee leadership which asks the House to consider a bill, but not to consider amendments to it. I have never been able to decide whether this is caused by an inferiority complex based on a fear that the committee cannot defend its bill or a superiority complex based on the assumption that the committee is wiser than the rest of the House. In the present instance, when for the first time in the many extensions of the Reciprocal Trade Extension Agreements Act a closed rule has been demanded, the result is to injure the prospects of final approval of a good bill by giving the

impression that the closed rule was demanded to bolster up a bad bill.

I could not vote for such a rule, but I urge support of this good bill on its merits, in spite of the unfortunate circumstances surrounding its consideration. The most unfortunate of these circumstances is not the rule, but the all-or-nothing demand of Secretary Marshall as reported in the press. Let me remind the House that action on this bill will have world-wide significance, but that significance will depend ultimately upon what the bill provides, not what someone says about it, or the procedure by which it becomes law. Earlier this year the papers carried a somewhat similar all-or-nothing demand by Secretary Marshall in connection with the economic-aid bill. Congress turned down his demand and gave him neither all nor nothing, but the whole world has acclaimed the bill which Congress finally passed with the President's approval.

The present bill continues the authority of the President to make trade agreements with other countries, through the use of the Tariff Commission, a bipartisan, independent, public agency instead of the Committee on Reciprocal Information, a partisan, secret agency controlled by the President. The agreements go into effect unless there has been an independent, bipartisan determination that they cause or threaten serious injury to domestic producers of like or similar articles or impair the national defense. Even under such circumstances, the agreements go into effect unless both Houses of Congress within 60 days by a majority vote veto such agreements.

This 60-day review procedure follows precisely the Reorganization Act procedure, which had the support of the minority floor leader, the gentleman from Texas [Mr. RAYBURN], the gentleman from Massachusetts [Mr. McCORMACK], the gentleman from North Carolina [Mr. DOUGHTON], and the gentleman from Tennessee [Mr. COOPER], and many others who are now opposing it when it is to be applied to agreements of the President which may have more far-reaching effects on our country than any change in Government agencies. I proposed this same procedure for reciprocal trade extension in 1943 and my amendment was defeated by a partisan vote. Under the circumstances, the objections to review of these agreements by the bipartisan Tariff Commission and by the Democrat-sponsored limited congressional review procedure can only be based upon partisanship of a misunderstanding of what is involved.

The tariff as a means of controlling foreign trade has little meaning in these days of export-import controls, distorted currencies, embargoes and subsidies. Extension of the Reciprocal Trade law will, however, be considered as a symbol of our intention to continue to participate in the adjustment of trade regulations consistent with maximum beneficial foreign trade. After the sound and fury of debate in Congress, and editorial and radio comment outside have subsided, other countries will study the terms of the extension to determine

its significance as a symbol. I want these countries to see:

First. That our country intends a bipartisan, independent determination of the economic facts involved.

Second. A review of the agreements, in case of controversy, by the elected representatives of the people, as is now the case in the overwhelming majority of the other countries with which we have trade agreements. By passing this bill we will tell the world one fact of life about our Republic: that our international cooperation depends not alone upon the President, but upon the continued cooperation of the President with Congress in protecting our own economy and our national security.

(Mr. VORYS asked and was given permission to revise and extend his remarks.)

Mr. DOUGHTON. Mr. Chairman, I yield 9 minutes to the gentleman from Arkansas [Mr. MILLS].

(Mr. MILLS asked and was given permission to revise and extend his remarks.)

Mr. MILLS. Mr. Chairman, if the issues were as simple as they appear to be after listening to some of my Republican colleagues, I perhaps would not be speaking; certainly I would not be concerned about the Gearhart bill, H. R. 6556.

The issue here is not whether the program initiated by Mr. Cordell Hull will be continued for 1 year or whether it shall be continued for a longer period of time. The issue here is whether or not we shall for any period of time continue the reciprocal trade agreements program or depart upon a new, entirely different program through which we hope to initiate some economic agreements with countries abroad.

The gentleman from California, chairman of the subcommittee, along with the other five ranking Republican members of the Ways and Means Committee, have not, in my opinion, become converted since 1945 to the Hull reciprocal trade agreements program. I see some of them on the floor. If I am incorrect, I will be glad to yield for a correction. It is my understanding that none of the six top ranking Republican members of the Ways and Means Committee has ever voted for the Hull reciprocal trade agreements program. Is it not logical to assume then, Mr. Chairman, that this which they bring to us today in the guise of the Hull program is something entirely different, else they would not be supporting it?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. As a matter of fact, in 1943, in the middle of the war, was the only time any of the Republican leaders in the House voted to extend it, and the gentleman's statement is correct. On that occasion the only Members of the Republican leadership who voted for it were the gentleman from Massachusetts [Mr. MARTIN], now Speaker, and the gentleman from Indiana [Mr. HALLECK] now the majority leader. They voted against it every other time, and the gentleman's statement in every other respect is absolutely correct.

Mr. MILLS. I thank the gentleman. Of course, when I read the bill—though not a member of the subcommittee, but when it was referred to the full committee—I began to wonder just a little bit if I could understand the bill from a simple reading of it. It did not appear illogical that they were giving me that which I wanted, and that the only compromise was one between 3 years and 1 year, so I tried to analyze the bill as best I could, and to compare it with procedures under existing law.

Comparison of the present procedure in preparing and negotiating reciprocal trade agreements with that proposed in H. R. 6556, the Gearhart bill now before the House, shows clearly that here is an attempt to trade a well-tested and effective procedure which protects all American citizens in exchange for an unknown, untried, and unworkable scheme which is obviously for the benefit of a comparatively limited number of American producers.

THE ESTABLISHED PROCEDURE

The established procedure in negotiating trade agreements derives in part from specific directives in the act itself; partly from Executive orders, the latest of which are No. 9647 of October 1945 and No. 9832 of February 1947; and partly from experience gained since 1934.

COMMITTEE FOR RECIPROCITY INFORMATION

In preparing to negotiate agreements, the main link between the public and the Government officials who are to do the actual negotiating, is the Committee for Reciprocity Information, an interdepartmental committee set up by Executive order. This Committee's membership is substantially the same as that of the Committee on Trade Agreements. It was created to carry out the requirement in the Trade Agreements Act that after reasonable public notice of intention to negotiate an agreement has been given, any interested person must have an opportunity to present his views on the agreement.

Through the present process all interested parties, and I want to emphasize all—exporters, importers, producers, consumers, and others with an interest in the proposed agreement—have opportunity to submit information and views. Summaries of the hearings, all briefs and digests of briefs or of correspondence, and correspondence itself when appropriate, are transmitted by the Committee for Reciprocity Information to all interested governmental agencies and officers.

Written statements were received from some 1,000 individuals, firms, and organizations before the opening of the recent Geneva negotiations, and nearly 700 persons appeared at the public hearings before those negotiations.

Under this procedure American producers and consumers have just as ample opportunity to be heard as they have before a congressional committee.

H. R. 6556, the Gearhart bill, makes no provision for any such hearings or collection of views and information. Of course, it does not prohibit them. If they are to be continued and all segments of the national economy are to have an opportunity to be heard, the Gearhart bill demands a costly, cumber-

some, and burdensome duplication of procedure.

What does the bill really do? The bill permits the President to negotiate agreements that may reduce the rate of tariff which we maintain in return for reductions abroad after certain things have occurred. What are those things? First of all, the Tariff Commission must conduct a hearing at which everybody who is interested in the question of the tariff being raised or lowered, if he has an industry being protected, may appear, give testimony, and be heard. The sole purpose of the investigations and hearings provided for in the bill now before us is to determine the margin of protection which must be maintained for the benefit of certain domestic producers who fear foreign competition. There is no place in those hearings for consumers or industries who are burdened with excessive costs because of excessive tariffs. There is no place there for American exporters who wish to ask for concessions which will enlarge their foreign markets. These American economic groups are far more numerous and more important than those who are interested solely in tariff protection for themselves.

The Tariff Commission is made up of six individuals; three Democrats and three Republicans.

The only conclusions reached by the Tariff Commission after its hearings under H. R. 6556 would relate to—I quote:

(1) the extent to which duties and other import restrictions on the articles included in the list may be modified; or (2) the extent to which additional import restrictions on the articles included in the list may be imposed; or (3) the maximum periods (if any) for which obligations may be undertaken to continue existing customs or excise treatment of articles included in the list.

It is most noteworthy that the Tariff Commission, under the pending bill, is given no voice whatever, such as it now has, in selecting the articles to be placed on the list which is subject to negotiation.

One result of this arrangement would be that a domestic producer wishing to register opposition to a certain tariff concession would have to make duplicate presentations of his case before the Tariff Commission in connection with its report to the President, and to the Committee for Reciprocity Information in connection with the negotiations. Businessmen have frequently complained about the burden of presenting their cases to the Committee for Reciprocity Information. For many of them, H. R. 6556 would simply double this burden.

Under existing procedure the Tariff Commission participates fully in hearing and considering the views of importers, exporters, consumers, and other parties at interest. In fact, the Committee for Reciprocity Information is headed by the vice chairman of the Tariff Commission. Under the proposed bill the Tariff Commission would be strictly debarred from participating in any decision on any matter other than the maximum reduction in tariff which might be made on articles in a list which the Commission has had no hand in preparing.

The six other agencies represented on the present Committee for Reciprocity Information would have no opportunity

to examine witnesses giving views and information before the Tariff Commission. All they would get from the Tariff Commission hearings would be an iron curtain, beyond which they could not go. That, of course, would please many enemies of the trade-agreements program.

INTERDEPARTMENTAL TRADE AGREEMENTS COMMITTEE

Under the Trade Agreements Act, the President, before concluding an agreement, must seek advice from the Tariff Commission, the Departments of State, Agriculture, and Commerce, the National Military Establishment, and such other sources as he may deem appropriate. Under an Executive order of February 25, 1947, this advice is obtained through an interdepartmental Committee on Trade Agreements consisting of representatives of agencies named in the act and also representatives of the Treasury and Labor Departments.

The Committee on Trade Agreements directs all necessary trade and commodity studies, reviews the reports and recommendations of its numerous subcommittees, and submits to the President its recommendations regarding the provisions of the trade agreement of which negotiation is contemplated. The most important of the subcommittees of the Trade Agreements Committee are the country committees set up for each country with which an agreement is contemplated. The country committees are made up of experts from the United States Government agencies represented on the Trade Agreements Committee. From time to time special subcommittees on special problems may be set up by the Committee on Trade Agreements.

Under the Gearhart bill the role of the Tariff Commission in this preparatory work would be sharply curtailed. The Commission would be explicitly prohibited from doing anything on country or other committees except to answer questions. The expert advice of the Tariff Commission members in directing studies and assisting the rest of the trade-agreements organization in reaching sound decisions would no longer be available to either country committees or the Trade Agreements Committee itself. The Tariff Commission would have no voice in recommending to the President what should be done—only what should not be done—a purely negative function.

Such an arrangement is cumbersome and it makes possible a complete deadlock. The President could act only after he had had the report from the Tariff Commission.

The President can enter into no negotiations with any country for the purpose of reducing tariffs until a peril point for each article has been established by the Tariff Commission. It is not a question of going below or staying above the peril point, but under the bill itself he has no authority to attempt to negotiate until the Tariff Commission has reached a decision as to the peril point. Where would the President be with a divided Commission—three on one side and three on the other—or with six separate recommendations from each of six Commissioners?

Obviously, he could do nothing, which is the clear desire of the opponents of the trade-agreements program and the true aim of this bill.

Now, remember, Mr. Chairman, that every one of these trade agreements contemplates many, many articles; hundreds of articles, if you please. It is not a question of negotiating in regard to one tariff rate. It is a question of deliberating in regard to any number of tariff rates; six men, three Democrats and three Republicans. Certainly, it is conceivable that in regard to the articles proposed to be contained in a trade agreement that the Tariff Commission would not be able to get together on what the peril point is regarding one of those articles.

If the Tariff Commission could not get together on 1 of them, even though they could get together on 999, the President could not include that article in his negotiations; either that or he would have to drop the entire negotiations.

First of all, then, there must be the establishment of a peril point. How do you think the members of the Tariff Commission would arrive at a conclusion concerning the peril point? I will tell you how they would do it. The important factor in arriving at a peril point would be the consideration of cost of production in the United States versus the cost of production abroad, yet on a cursory reading of the bill you do not find the fact that now the sponsors of this bill have injected into it the very thing the gentleman from California [Mr. GEARHART] has always advocated, that is, cost of production in the United States versus cost of production abroad.

Mr. GEARHART. If the gentleman will yield, of course when he says I have advocated cost of production all the time it is his assertion, because I do not do that.

Mr. MILLS. If I have misstated the gentleman, I am sorry. I certainly understood the gentleman in the committee on numerous occasions to favor cost of production as a criterion.

Mr. GEARHART. I fear the gentleman has confused me with somebody else.

Mr. MILLS. I will withdraw that, then.

Mr. GEARHART. A point I should like to comment on and have the gentleman's further comment on is this. The gentleman stated it would take the Tariff Commission an unreasonable length of time to do the thing the bill would require. May I inquire of the gentleman how that same operation is handled under the present system?

Mr. MILLS. Under the present system it is not necessary to determine cost of production in the United States versus cost of production abroad. I would suggest to the gentleman, since he is the author of the bill, that he had better reread it, because the Tariff Commission cannot determine peril points, points below which tariffs cannot be reduced, without knowing something about the cost of production in the United States versus cost of production abroad. I know that during the consideration of

this measure, since I have been in the Congress, that has been one of the proposals that those belonging to the gentleman's party have advocated in the past. If that becomes the law, if it is necessary for that to be determined before the peril point can be determined, the gentleman knows there could not be a reciprocal trade agreement entered into if this act should be extended 3 years, let alone 1 year. The procedure is entirely changed.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Michigan.

Mr. MICHENER. I came in just a moment ago, in time to hear the gentleman's last statement. I want to be put right, that is all. Is it the gentleman's contention that those negotiating the reciprocal trade agreements should under no conditions consider the cost of production of similar articles in the United States and in the country with which we are negotiating?

Mr. MILLS. If my good friend from Michigan understood me to say that, I hasten to say that he misunderstood me entirely, because that is not the point I was making. Certainly the cost of producing an item in the United States is considered as best it can be considered on the basis of information available to the Committee for Reciprocity Information and the Trade Agreements Committee, but there is no scientific method of determining such costs for the purpose of establishing the peril point, as this bill attempts to do. This makes a science of determining the cost of production and the peril point, which I say cannot be done on the basis of the staff that the Tariff Commission now has or with a staff double or triple the one the Commission has.

Mr. MICHENER. I thank the gentleman.

ACTUAL INTERNATIONAL NEGOTIATIONS

Mr. MILLS. Mr. Chairman, after the President has approved the recommendations of the Trade Agreements Committee regarding the provisions of the proposed agreement, actual negotiations, on a product-by-product basis, are begun with representatives of the other country or countries. In these negotiations, the United States under existing arrangements is represented by officers of all the various agencies, including the Tariff Commission, represented in the Committee on Trade Agreements and its subcommittees under the leadership of Department of State officers. These negotiators can offer concessions only within the limits which have been approved by the President and only in exchange for concessions of comparable value by other countries. Before they can agree to additional offers in the course of negotiations, these changes must be studied and recommended by the interdepartmental committee and approved by the President.

Among the shrewdest bargainers and most skillful negotiators on the American side in the past have been the representatives of the Tariff Commission.

This bill shuts them out of the negotiations entirely. They are not allowed, under this bill, to sit at the table with the negotiators of foreign countries. They are not allowed to give the representatives of the other Government agencies the benefit of their knowledge. They have been required to say, in advance, "thus far shalt thou go and no farther." They are not allowed even to suggest that a little more relaxation here or a little more firmness there is permissible. Without them at the negotiating table the representatives of the six other national agencies will be most severely handicapped.

This bill, on the surface, purports to give greater effectiveness to the participation of the Tariff Commission in the trade-agreements program. Actually, it does nothing but circumscribe and limit the usefulness of that body. Presumably, the idea is that the Tariff Commission will be subservient to the political will of a new administration which the proponents of the bill hope will be of a different political complexion. That has not been the record of the Tariff Commission in past years. As a bipartisan body, it has borne a splendid and objective part in carrying out a sound and effective program of tariff reform for 14 years. So far as the cramping limitations of this bill permit, it may be expected to continue to do so in the future.

SAFEGUARDING CLAUSES

Experience under the Trade Agreements Act has shown that agreements seldom, if ever, threaten serious injury to domestic producers of goods on which import duties have been modified. If any such case should arise, however, the means for adjustment are readily available. Under Executive Order 9832 of February 1947 every future trade agreement must include a comprehensive safeguarding clause like that first included in the 1942 trade agreement with Mexico. This clause provided that if, as a result of unforeseen developments and of the concession granted by the United States on any article, that article is imported in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers of like articles, the United States shall be free to withdraw the concession or to modify it as may be necessary.

The Executive order requires that the Tariff Commission is to make investigations to determine whether invocation of the clause is justified. Such investigation is to be undertaken either upon request of the President, upon motion of the Tariff Commission, or upon application of any interested party when in the Commission's judgment there is good and sufficient reason therefor. Public hearings are to be held in connection with these investigations, and the recommendations of the Commission are to be presented to the President for his consideration, decision, and action in the light of the public interest.

It should be emphasized that this escape clause is not a statutory provision. It is a safeguard which the executive branch of the Government has found desirable. It should likewise be emphasized

that no such provision is contained in H. R. 6556, the Gearhart bill, which wholly omits any such provision or requirement. The pending bill, in other words, leaves domestic industry wholly bare of the effective emergency protective measure which is, by existing Executive order, included in every trade agreement which can be made under present procedure. Under this escape clause, now required by Executive order, the United States can modify or withdraw a tariff concession which, through unforeseen circumstances, may jeopardize an American industry. Under this pending bill the Tariff Commission must guess, in advance, what the consequences might be. Under the bill there is complete rigidity—no opportunity to reconsider. It is easily understandable that under such circumstances the Commission may be far more than conservative in setting the limits beyond which tariff concessions may not go.

Various means of reviewing agreements have been developed in order to make sure that the agreements liberalize trade conditions and promote an increased exchange of goods without serious injury to domestic industry. The Executive order of February 1947, requires that the Tariff Commission make an annual report to the President and Congress on the operation of the trade-agreements program. In addition, the Commission is required by the order to keep informed at all times concerning the operation and effect of trade-agreement provisions relating to import restrictions of the United States. Other interested agencies, too, including the National Military Establishment and the Departments of Agriculture, Commerce, State, Labor, and the Treasury, constantly watch over developments at home and abroad as they affect our trade. Our Foreign Service officers report currently all actions by foreign governments and developments in foreign countries affecting trade agreements. Finally, the Committee for Reciprocity Information at all times receives and circulates to the entire trade-agreements organizations the trade-agreement problems reported by interested persons.

The late Dr. Thomas Walker Page, long-time Tariff Commissioner and outstanding tariff authority of the United States, said of the preparation for trade agreements:

In the preparation of the trade agreements, there has been less secrecy and there has been more opportunity for interested parties to present their views than there has been in any tariff revision for more than a hundred years.

I wish to quote also from Mr. William L. Monro, former president of the American Tariff League, which has consistently opposed the trade-agreements program from its inception:

I will also stress the fact that in carrying out the trade-agreement policy by Mr. Hull, great credit should be given to the fact there has been no suspicion of political influence regarding the reduction in duties on any article placed on the reciprocal trading list. I believe that everyone who has had occasion to contact the staff that makes up the schedules must admit that regardless of whether we approve of the policy or not,

the agreements are prepared solely from the viewpoint of endeavoring to increase foreign trade with the least injury to domestic industries.

Why should it now be proposed that this effective machinery be scrapped for a will-o'-the-wisp conjured up for political reasons?

The Gearhart bills says that if the President, having in mind the general public welfare, decides that tariff concessions exceeding those laid down by the Tariff Commission as the maximum permissible are desirable, and concludes a trade agreement embodying such concessions, he shall lay the agreement before the Congress subject to congressional veto within 60 days. Since every agreement will presumably be before Congress, we will return to the Republican log-rolling tariff policy, under the bill.

There is a far longer range and far more widespread reaction. If the United States today repudiates its stand in favor of a more liberalized and expanded world trade; if it shows its hesitancy and indecision by renewing the Trade Agreements Act for only 1 year instead of the customary 3; if it hedges its actions by quibbling, crippling, and obviously isolationist acts such as the pending Gearhart bill, the United States will lose the confidence of the world in its good faith, in the sincerity of its protestations about expanding world trade. It will have abandoned its international leadership toward a world of better living standards, of prosperity, and of peace.

Western Europe recently received hope of further economic cooperation from us when we passed ERP. Shall we now destroy that hope by admitting our return to economic isolationism? I trust we will say by our vote that further economic cooperation is to occur, that we are now prepared to open the way for greater world prosperity and understanding, higher standards of living for all, and the complete elimination of some of the causes of war. Your support of the motion to recommend means this.

Mr. GEARHART. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, if this cannot be done promptly by the Tariff Commission, as the bill would require it to act, then I ask, by whom are these studies being made now? If it is not done by any agency of the Government at the moment, then it must be taken as admitted that our tariffs are being slashed blindly, unscientifically, and without any idea as to the highly technical matters they are dealing with.

The gentleman has focused our attention upon the most flagrant weakness of the present system—a reckless, unscientific, nontechnical dealing with a complicated problem which requires the most expert technical understanding to comprehend.

The thousands of unemployed shoemakers of Massachusetts, those who now walk the streets looking for work because of the unequal competition of the Czechoslovakians, can attribute their unhappy situation entirely to the unscientific, nontechnical knowledge of those who slashed the tariff on shoes without consideration of the effect of

their reckless disregard of our competitive position. The bill provides in plain words that the Tariff Commission should determine whether or not a business is threatened with injury or whether the national defense capacity of the Nation is impaired. It has nothing to do with and says nothing about the question of cost of production. Upon reflection, I am sure that the distinguished gentleman from Arkansas will agree.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GEARHART. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, I am one of those who thoroughly believe in the principles behind the reciprocal trade treaties.

I am one of those who believe that under changed world conditions it is essential to the welfare of the United States that we import much more than we have in the past.

I am one of those who believe that unless we agree to take these imports and fit them in with our economy it will be very difficult to carry out the objectives of the European recovery program.

I am one of those who have always voted for renewal of the reciprocal trade agreements and have voted against what I considered crippling amendments.

With this background should I, and those who feel as I do, vote for this bill? I believe that we should.

Does this bill in any way cripple the program? The answer is certainly "No." It provides for scientific study by the nonpartisan Tariff Commission in place of hearings by that haphazard group known as the Committee on Reciprocity Information.

The State Department will negotiate as they have in the past, and if they observe the safety limits set by this nonpartisan technical body, whatever changes they have negotiated will go into effect.

It is only if the negotiators exceed these safety limits that the matter has to be presented to Congress. Then the agreement negotiated still goes into effect unless Congress by vote of both Houses within 60 days decides that the treaty which has been made is not to the best interest of the United States.

Certainly there is nothing crippling; nothing which interferes with honest attempts to seek the most advantageous reciprocal agreements in this provision.

Some of the public have been led to believe that the 1 year's extension provided by this bill would mean that agreements already negotiated would expire at the end of 1 year. But of course all Members of Congress know that this is not so.

Those in the administration who have been most closely connected with the program seem to have no great objection to the provisions of this bill except they say: "Can't you make this renewal for 2 years instead of 1?" Let us consider this question for a moment.

It is quite possible that next year we will have a new administration. In order to make this reciprocal trade program a permanent part of our law, would it not be better to have the subject of renewal

come before us in the so-called "honeymoon period" of a new administration?

Certainly the whole subject would be considered at that time in a more scientific manner with nothing but the best interest of the country in mind, than it would at a time close to an election when political implications could not fail but to have much weight.

All in all a 1-year renewal now seems to be for the best interest of continuation of true reciprocal trade as our permanent policy.

I believe that leaders of the administration are disappointed in this bill. Disappointed not because it is a bad bill, but because it is such a good bill. They had hoped to have as one of their chief campaign issues what they hoped to call "economic isolation." There is no economic isolation in this bill. The opposition to this good legislation is an attempt by administration followers to make a political issue for their own benefit.

Mr. Chairman, I hope that our friends on my right will forget politics and that many of them will consider this bill on its merits and join with me in voting for it.

Mr. DOUGHTON. Mr. Chairman, I yield 9 minutes to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, if the Democrats were not imbued with a deep feeling of Christian charity, we would without hindrance let you Republicans ride the Smoot-Hawley Act down the road to political perdition. But we are trying to save you. We are trying to bring before your eyes the evils of this bill; and, for the life of me, I cannot understand how you Republicans became converted so rapidly to the idea of reciprocal-trade agreements. Of all those who have spoken in favor of this bill, only one, the gentleman from New Jersey [Mr. KEAN], who just preceded me, has ever in his life, except during the war years 1943, voted for reciprocal-trade agreements.

In 1934, just two Republicans voted for reciprocal-trade agreements. In 1937, three Republicans voted for the extension. In 1940, it increased from three to five. In 1943, while the war was going on, there were 145 who placed the welfare of their country above politics. In 1945, there were only 33 Republicans who voted for the extension of the reciprocal-trade agreements.

Now, when I hear you Republicans get up and say how you are now for reciprocity, how you are for the extension of the Reciprocal Trade Agreement Act as set forth in this bill, I am just completely overwhelmed. The change has been so great that I think I might very well read an editorial which appeared in the New York Times this morning, which is entitled "Republican Folly":

REPUBLICAN FOLLY

If the Republican leadership of the House of Representatives had stayed up nights for a month, trying to think up ways of giving the country a stunning exhibition of provincialism and partisanship at their unexampled worst, it could not possibly have hit upon a more successful means of doing so than in the position it has taken on renewal of the

Reciprocal Trade Agreements Act, an issue due for a test vote today.

Here, in the Trade Agreements Act, sponsored and developed under the wise statesmanship of Cordell Hull, is the most constructive contribution made by the United States in the last generation to the cause of sound international economics. The Hull program recognizes that international trade, like any other trade, is necessarily a two-way process. It recognizes that we cannot hope to sell abroad unless we buy abroad. It recognizes that a creditor nation (and the United States is the greatest of all creditor nations) cannot expect to be repaid on the loans it makes abroad unless it is willing to accept payment in the only form in which payment can be made in the long run—that is, in terms of goods. It recognizes that the Hull trade program is the indispensable other half of the Marshall plan. It recognizes that the American consumer is entitled, particularly in a time of inflation that is playing hob with living costs, to go to foreign markets for the goods he needs, if these goods are offered to him at more reasonable prices, and that it is an outrage to force him to pay on such goods a tariff which is designed to protect a domestic monopoly. It recognizes that a thriving two-way trade among democratic nations is the best possible assurance of an expanding economy, the soundest possible basis for maintenance of the free enterprise system and the best possible antidote to endless regimentation and controls of American production.

This is the Hull trade program. Under the powers which Congress thus granted to the Administration 28 mutually beneficial agreements with foreign nations were reached in the first decade of its operation. In the letter and the spirit of the same legislation, more recently, the most ambitious general trade agreement ever to be negotiated was brought to a successful conclusion at Habana by the representatives of no fewer than 53 nations, our own included.

This is the Hull program. It will expire on the 12th of next month unless it is renewed. And what do the Republican House leaders propose to do about it?

They propose to renew it for a single year, but meantime to amend the life out of it. We agree with the pungent comment of Secretary of State Marshall that the Republican bill to be voted upon today carries such crippling amendments that only a shadow of the original act is preserved, while its substance is destroyed. This Republican measure would set up the Tariff Commission, now an integral and smoothly working part of the whole trade-agreement-making process, as a censor over the authority of the President to exercise the powers which have hitherto been delegated to him in this field by Congress. It would make protection a guiding principle of the Commission's action. It would provide that any action of the President which did not conform to the Commission's views could be vetoed by Congress, acting within the next succeeding 60 days—and the 60 days would not mean 60 days merely by the calendar but 60 days of continuous legislative session. This would be the new set-up, and the uncertainties and obstacles resulting from it would heavily, and in many cases fatally, handicap the President in his tariff negotiations with other countries. No foreign country would know whether or not the President's word would stick.

Nor is this all. Having contrived this scheme to knife the Hull trade program while appearing to befriend it, the Republican leaders have brought their plan into the House under a closed rule actually forbidding any attempt whatever to change it on the floor. The House may talk—for a limit of 3 hours. It may vote. But it may vote only for or against this ingenious bit of

sabotage. It is either this or nothing. No change permitted. No revision possible. No amendment from the floor. This is gag rule at its worst. In this case the House leaders are making a mockery of the legislative process.

The Senate leaders may have better judgment. They may have a more realistic understanding of what is happening in the world today. They may also have a better guess as to just how many thousands of independent votes this combination of high-tariff provincialism and partisan gag rule will cost the next Republican Presidential candidate if this is to be the program. But the House leaders are set to go. It remains to be seen whether the Senate leaders can ultimately save the party, and the country, from the consequences of this almost incredible folly.

The press of the country is overwhelmingly in favor of the extension of the present act. I understand from the Gallup poll that 80 or 85 percent of the people, who are familiar with the Reciprocal Trade Agreements Act and who have been polled with respect to this particular act, are in favor of the extension of the act as is.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I will be glad to yield to the distinguished chairman of the Ways and Means Committee.

Mr. KNUTSON. It is my recollection that the Gallup poll showed that two-thirds of those polled stated they did not know anything about it.

Mr. LYNCH. Well, the gentleman and I have been reading two different Gallup polls, because I am quite certain that I am correct in the statement that I have made.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. Yes; I yield to the gentleman.

Mr. GEARHART. I will read a paragraph from the Gallup poll to which the gentleman referred:

But it may come as a shock to the educators and the national leaders to realize that after 14 years of debate over Cordell Hull's trade-agreement program the vast majority of the voters, 2 out of 3, do not know what the reciprocal trade treaties are.

Mr. LYNCH. That does not contradict in anywise what I have said. Not only do not the vast number of voters know what the reciprocal trade agreements are but after the exhibition of those who have spoken in favor of this bill I am quite convinced that there are a vast number of people on the Republican side who do not know what the reciprocal trade agreements are. What I said was that 80 to 85 percent of those who are familiar with the bill, have indicated that they were in favor of extension, as is.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. DOUGHTON. The percentage it said was of the informed people on the subject.

Mr. LYNCH. That is quite correct.

Mr. DOUGHTON. Moreover, it shows that the vote was 50-50 as between Democrats and Republicans. As many Republicans favored it as Democrats. It was a 50-50 division.

Mr. LYNCH. But if my memory serves me correctly, of the informed people, those who knew about the reciprocal-trade agreements, 80 or 85 percent were for extension.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. McCORMACK. The uninformed represented probably the old-guard Republicans.

Mr. LYNCH. The other percentage was recorded as not being in favor of reciprocal-trade agreements in the first place. But, Mr. Chairman, it does seem to me that when our Republican colleagues say they are in favor of the Reciprocal Trade Agreements Act, when you look back over the record that the Republican Party has established, from the huge number of 2 in 1934, to 33 in 1945, who voted in favor of the reciprocal-trade-agreements program, I do not think it is quite cricket for you to come here and try to tell the American people that you are in favor of extending the reciprocal-trade-agreements program.

The gentleman from Massachusetts [Mr. HERTER], who addressed us earlier today, stated likewise that he was for this bill. I would like to know when he was converted. He opposed the Reciprocal Trade Agreements Act in 1945 and voted against the Reciprocal Trade Extension Act of 1945. When was he converted? When have all you Republicans been converted to the idea of the reciprocal-trade agreements? I know that in your platform you have spoken about it. I know that some of the leaders of your party, like Mr. Stassen, Governor Dewey, and Senator TART, have spoken in favor of the extension of the reciprocal-trade agreements, but for some unknown reason the Republican Members of this House have turned their backs upon their party platform, they have turned their backs upon the men who have stood for republicanism in the past, and they are now endeavoring to say they are at this present writing in favor of the reciprocal-trade agreements when you know very well that what you are trying to do is to scuttle the whole act because you know that it is not workable under this bill that has been proposed by our distinguished friend from California.

This bill, H. R. 6556, is objectionable in almost every respect. It gives only lip service to true reciprocity. It is reciprocity in form without substance. Such a proposal is a dagger in the back of real reciprocity. It is a hypocritical device which makes it a meaningless gesture. It proposes to extend a questionable and restrictive authorization for the President for only 1 year; this is insufficient time for gathering data and information to carry through any possible negotiations; the bill serves notice to the rest of the world that the United States has grave doubts about the value of continuing this important economic foreign policy in existence for 14 years. The bill places upon the Tariff Commission, in effect though not in definite terms, the sole responsibility for determining how far a tariff rate may be cut. This follows from the obligation imposed upon the

Commission to determine in each case the so-called peril point, below which a cut may not be made. This is a limitation within the present limitation of 50 percent of the rates in effect January 1, 1945.

This procedure will inevitably concentrate upon the Tariff Commission alone the full weight of all of the pressures of special interests, and imposes an unnecessary burden upon the Commission because it is required, in the case of each product, to determine the maximum tariff concession which could be made without injury. This restriction will inevitably entail serious delays. The Tariff Commission will have to decide in advance any possible future injury to domestic interests.

The obligations placed upon the Tariff Commission, composed of six Commissioners, three of each major political party, plus the requirement of the bill, that no agreement may be entered into until the Commission, as such, has reported to the President, plus the limitation of the President's authority to 1 year, is a guaranty of no action. Placing upon the Tariff Commission the sole responsibility for determining limits below which a cut may not be made without threatening injury to a domestic producer or impairing the national defense deprives other governmental agencies of the opportunity to exercise the influence which their responsibilities would seem to justify. For example, the Tariff Commission's judgment should not be preeminent in the field of national defense over that of the Military Establishment. Under the present procedure, that is why other agencies are now represented in the interdepartmental trade-agreements committee. The authority which seems to have been given to the President for a year is wholly nullified by red tape.

On the other hand the requirement that Tariff Commission officers or employees should not participate in the recommendations to the President with respect to the extent of any cut, and should not participate in the negotiation of any agreement, deprives the President of trusted and competent counselors and an effective aid in negotiating the best possible bargains for the United States. It tends to set one governmental agency off against all others.

This bill tends to destroy the entire interdepartmental cooperative efforts of the past 14 years. For example, requirement that the Tariff Commission alone shall hold public hearings deprives other interested Government departments from participating in such hearings and the right of cross-examining witnesses, aspects of the hearings which have been of the utmost value in the past. The provision that the President may disregard the recommendation of the Tariff Commission, but only by submitting the entire agreement for congressional veto, is nothing more than window dressing meant to nullify any independent Presidential authority. The Congress would undoubtedly follow the recommendation of the Tariff Commission, if that agency could ever agree on the extent of any cuts. This sort of

confused and divided authority is improper because it puts the President in the position of having to submit to the Congress a disagreement between himself and an agency which is administered by his own appointees.

Since recent polls show that from 70 to 80 percent of the people favor the present program irrespective of party it is politically unpopular to oppose reciprocity as such, so everyone wants to at least appear in favor of it. These amendments are innocent enough looking but they are devised to kill the effective program successfully operated for 14 years under the act. During every past renewal there have been offered amendments, any one of which would give us "reciprocity in form" but an act without any substance whatever. That is exactly what H. R. 6556 provides. We are all familiar with the common practice of defeating legislation by amendments, when the originators of such amendments can evade the responsibility for defeat. That is exactly the kind of amendment we have to the Reciprocal Trade Agreements Act. Let us not try to fool the American people with this back-door sabotage. This amendment has been craftily drawn to give the form of reciprocity; that is not enough.

In my estimation this act should be renewed in a workable form for the following principal reasons:

First. Without such authority as is contained in the present act the President could not conclude new agreements with several countries, which were not present at Geneva and the expansion of whose trade would be advantageous to world recovery. Such agreements with these countries would be concomitant with objectives of the charter for an International Trade Organization, if the charter is accepted by the United States and other major trading countries of the world.

Second. Without the act there will be uncertainty regarding Presidential authority to withhold benefits even from nonagreement countries which might flagrantly discriminate against the commerce of the United States. The authority may become more important for this purpose in the future.

Third. This Government might be prevented, without the trade agreement authority, from making broad and necessary modifications in agreements such as now being undertaken with Mexico. Since some of the older agreements do not have the standard escape clause contained in the Geneva agreement it would not be possible to make certain other desirable adjustments.

Fourth. For the sake of world stability the trade program should be continued. The United States will lose world leadership toward reductions in world trade barriers, which it has maintained since 1934. Through that leadership there was concluded last October at Geneva an agreement covering half of the commerce of the world, termed by the President "a landmark in the history of international economic relations."

I believe the majority of the American people are well convinced that neither economic nor political isolation is possible for any country in this mod-

ern world. To depend on the possibility of such isolation is to defeat the trends of modern industrial forces which bring the world closer together day by day. We might well ponder the words of Cordell Hull, as a warning at this moment, when he said in a broadcast as early as July 23, 1942:

After the last war too many nations, including our own, tolerated or participated in attempts to advance their own interests at the expense of any system of collective security and of opportunity for all. Too many of us were blind to the evil which, thus loosed, created growing cancers within and among nations—political suspicions and hatred; the race of armaments, first stealthy and then the subject of flagrant boasts; economic nationalism and its train of economic depression and misery; and, finally, the emergence from their dark places of the looters and thugs who found their opportunity in disorder and disaster.

In this new postwar situation we need to indicate in a positive manner that we are sincere in our efforts to work out, as far as can be done without injury to any substantial domestic industry, a sound approach to the solution of world economic problems. The reciprocal trade agreements are a partial solution.

We can hold the confidence of the people of the world with a consistent foreign policy. We should not, after 14 years of hard work and accomplishment, abandon or weaken the reciprocal trade agreements program. This long-established program is the economic counterpart of the political phases of our bipartisan foreign policy. This country cannot afford to falter in its long-time leadership of a world movement to lower trade barriers by mutual agreement among trading nations.

I want to read, in conclusion, a letter I received today from a New York businessman, H. V. Whelan, vice president of Nuodex International, Inc.:

NUODEX INTERNATIONAL, INC.,
New York, N. Y., May 24, 1948.

The Honorable WALTER A. LYNCH,
Congress of the United States,
House of Representatives,
Washington, D. C.

HONORABLE SIR: Many of your constituents are closely watching congressional action on the renewal of the President's authority to negotiate trade agreements. Our keen interest in this issue is not because we have an axe to grind, for we do not, but because of the fundamental principles of economy involved.

Gauged by its effect on the economy of our country, one of the most detrimental pieces of legislature ever concocted by a United States Congress was the Smoot-Hawley Tariff Act. Immediately after legislating prohibitive tariffs against the large community of nations with which we had been trading for many years, retaliatory tariffs were imposed against the automobiles, typewriters, electrical equipment, tires, farm machinery, chemical products, proprietary articles, and so forth, which for years had been produced by skilled American workmen in Detroit, Toledo, Cleveland, Wilmington, Syracuse, Buffalo, and so forth. What was the net result of the imposition of the Smoot-Hawley Tariff Act? Being unable to continue shipping the products enumerated above (and many others) to customers overseas who were ready and eager to buy them, the manufacturers packed up the machinery and special equipment with which they were made, and shipped entire factories to Argentina, Mexico, Cuba, Brazil, South Africa, and many other

countries. The same machines made the same products, but the pay rolls were in Buenos Aires, Mexico City, Havana, Sao Paulo, Durban, and so forth, instead of in the American cities mentioned above. Wages for millions of man-hours were transferred from American industrial centers to foreign countries. And why—to protect the jobs—and the profits of the management—of a few thousand workers in a few industries producing something that could be produced more economically somewhere else. American consumer products were made in foreign factories by foreign labor. Large areas in foreign countries were planted with crops which previously had been purchased from the United States of America. Foreign industry in the broader sense, was given an effective incentive to compete against American industry.

There is a parallel between the Smoot-Hawley Tariff Act and the agitation which is becoming vocal against continuation of the policy of negotiating trade agreements with foreign countries to permit a two-way flow of trade.

Those who want to buy what this country can produce more economically, or better, than anyone else, cannot do so unless we buy what the other countries produce. One-way trade is as impossible as is up-hill travel of water. Water can be forced up hill, but unless it is allowed to run down again, there ceases to be travel. It becomes stagnant, as does international trade when our customers run out of funds with which to buy.

We, as a creditor Nation with most of the gold in the world, are treading on dangerous ground if we restrict trade still further by imposing artificial barriers against the products of the countries which wish to buy from us. Much progress has been made during the past few years in leveling these barriers and letting water seek its own level. If this and similar issues were decided entirely on the basis of the economic factors involved without any personalities, pressure groups, or vested interests "pulling strings," there is no doubt how they would be decided as the principles involved are so clearcut and simple. Congressmen who place the welfare of the country above the welfare of a few individuals will refuse to be influenced by pressure groups, and will join in renewing the President's power to negotiate international trade agreements and will confirm the ITO charter.

We are anxious to see which side of the fence you are on.

Respectfully,

NUODEX INTERNATIONAL, INC.,
H. V. WHELAN, Vice President.

Mr. Chairman, that is the opinion of a practical businessman and I think it is thoroughly sound. I hope that this bill which has for its object the wrecking of the Hull reciprocal trade program will be defeated.

Mr. GEARHART. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. JUDD].

[Mr. JUDD addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. JUDD asked and was given permission to revise and extend his remarks.)

Mr. GEARHART. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, first and foremost, I am in favor of an extension of the reciprocal trade agreements program as an essential element in the bipartisan foreign policy of the United States. Second, I believe we should not inaugurate new arrangements in any bill

against which arrangements protectionism could be charged, especially in a year when we are likely to have a new administration which should have an opportunity to recommend changes, if any, as its own.

Mr. Chairman, this is really a foreign affairs bill and not just a measure dealing with revenues or imports. The impact of this bill on the foreign policy of the United States will be great. Reciprocal trade agreements are essential to the success of the European recovery program and to our whole bipartisan foreign policy. This bill is designed either as a caretaker bill to keep the idea of reciprocal trade agreements alive, or by separating the Tariff Commission from the Interdepartmental Trade Agreements Committee and giving the Congress veto power when the President deviates from the commission's recommendations bringing the program closer to protectionism.

The development of our country and our freedoms has always demanded a vigorous and effective private economy in the United States, and so in the days of our industrial infancy when it was necessary to enable productive enterprise in various fields to get out of it swaddling clothes in order to do an adult economic job here in the United States, protection in many industries could be adequately justified. But today when the United States is the greatest exporter of goods in the world, when the whole world hungers for our goods, when our costs of production in principal exports like machine tools and automobiles enables us to undersell foreign competition, and when our tobacco, cotton, and wheat are in great demand due to shortages in the world's export markets, we must reconsider our whole position. There is likely still to be room for tariff protection in some items, but our great productive power and our need for export markets must turn our emphasis toward trade rather than protection.

We are shipping goods overseas at the annual rate of \$15,000,000,000 or five times the average of years 1936-38. Our gross national product has risen from \$85,000,000,000 in 1938 to about \$225,000,000,000 currently, while our exports are running at the rate of over 12 percent of our total production. Without question the most significant characteristic of our foreign trade is the high degree of unbalance between exports and imports with imports running at the annual rate of about \$6,000,000,000 and exports at about \$15,000,000,000. We had better have another good look and revise our whole concept of what is good business. As I see good business now it is to stabilize and assure our markets for exports and to increase our imports. This is the surest way to vitalize our own American industry on a competitive basis and to vastly improve the likelihood of stabilized prosperity for American business for the future; and when I say American business I include the investor, the manager, the worker, the farmer, and the consumer.

We have just made a major commitment in the ERP with respect to our whole foreign economic policy. This

commitment is contained in section 102 (b) of title I of the Foreign Assistance Act of 1948 in which we declare it to be one of the purposes of the ERP to facilitate and strengthen the growth of international trade of participating countries with one another and with other countries—and that obviously includes us—by appropriate measures including reduction of barriers which may hamper such trade. If that were not enough, substantially the same provision is contained in section 115 (a) (3) as a commitment required to be made by each participating country in the agreement for assistance with the United States. Progressive reduction of trade barriers is also contemplated by the Inter-American Treaty just negotiated at the Bogota Conference. The charter for the International Trade Organization, which we ourselves brought into being through the original provisions in the lend-lease agreements looking towards the reduction of trade barriers, carries an obligation "to enter into and carry out with such other member or members as the organization may specify, negotiations directed to the substantial reduction of tariffs and other charges on exports and imports."

The continuance of the reciprocal trade agreements program is, therefore, the obligation of a whole series of international commitments on our part. The economics of the ERP show that a great increase in exports by the participating countries will be required and especially to dollar countries in order to absorb the very large balance-of-trade deficit in dollars which forms the very basis of the problems sought to be answered by the ERP. It has been estimated that an increase from approximately \$6,000,000,000 to \$9,000,000,000 in the value of our imports would go far toward redressing the adverse trade balance in dollars which now faces the nations of the world, and that this increase is a normal one when compared with the increase of 85 percent in our own aggregate production above the 1935-39 level. The impact of such an increase in imports in decreasing our cost of living is bound to be great. This is especially true in the household and consumer items like china and clothing where we have seen the greatest price increases and even scarcity. We should not interfere with this expected increase of imports.

Now let us consider the bill actually before us. It extends the trade-agreements program for 1 year, and if that were the only thing it does though important, I do not believe that the objection would be so great, because, though it would hamper negotiations they could be continued and it leaves freedom for review of the whole program under the auspices of a new administration. The difficulty in the bill, however, is in the procedural barriers which it sets up and which are bound to emphasize protection instead of reciprocity, and to delay the negotiation of reciprocal trade agreements. For by this bill, if the Tariff Commission finds in advance that a proposed tariff reduction will cause or threaten serious injury to domestic producers of like or similar articles, then the President's

agreement is subject to congressional veto, while the present standard enables us to take a calculated risk in advance that there might be some injury to domestic producers, but with an escape clause if it becomes serious according to Tariff Commission findings, as a result of "unforeseen developments and the concession granted." Obviously where the decision is made in advance rather than by the trial and error of performance, there will be much more tendency to encourage pure protectionism. Also, the time factor in submittal of an agreement to the Congress when in session and the uncertainty of its approval depreciates the negotiating ability of the President and makes it doubtful that any agreements can in fact be negotiated during the year of this extension.

Some eggs must be broken to serve the broad national policy to enable the nations of Europe to recover their solvency and to get them out of the position of being our dependents. A 1-year extension hedged in with the conditions of this bill introduces doubts in the minds of foreign peoples as to whether we intend ourselves to be bound by the very provisions for economic recovery through self-help and mutual cooperation which we have insisted on for the ERP, and in our agreements with the 16 European nations concerned.

It seems to me that by writing a bill of this character which is a departure from existing policy and sets up new methods for handling reciprocal-trade agreements, we are prejudicing not facilitating a new administration, for we are binding it on the one hand to the policy and on the other hand to a new way of effecting it without giving a new administration freedom to agree or disagree. Faced with a closed rule, it is likely that many Members, including myself, will seek to get a straight extension first, but will then vote for this bill only in order to get the renewal of this act on its legislative way, in the expectation that after the other body has considered it, and it has come through conference it will come back to us in proper shape. That is the path of responsibility in view of the urgent necessity in the interest of our whole foreign policy, for not letting the reciprocal-trade-agreements program die in this Congress.

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

(Mr. McCORMACK asked and was given permission to revise and extend his remarks.)

Mr. McCORMACK. Mr. Chairman, I have in my hand a news item only a few days old of a statement made to members of the press by a former Republican governor, a former candidate for President on the Republican ticket, made in the office of the Speaker of the House of Representatives, the gentleman from Massachusetts [Mr. MARTIN]. I ask that that background be visualized, then to interpret what was said by the former Republican Presidential candidate, former Gov. Alf M. Landon, who ran for the

office of President on the Republican ticket in 1936.

He was asked about the tariff bill approved by the House Ways and Means Committee—of course, that is the Republican members—and here is what former Governor, former Republican Presidential candidate Alf Landon is quoted as having said:

The bill endangers the reciprocal trade program and endangers the whole policy of postwar economic reconstruction of the world. It threatens to waste the money we are advancing for foreign relief.

You have listened today to the gentleman from Minnesota [Mr. KNUTSON] make a most unnecessary and unwarranted attack upon one of the greatest Americans of all times, General Marshall. I wonder who he thinks he is fooling? I wonder if the gentleman from Minnesota thinks that he can, in the well of this Chamber, without resentment by the American people, make unjustified attacks upon a man of the character of General Marshall? It is one thing to disagree with a man, and I recognize the right of anyone to disagree and to express himself in disagreement, but when I listened to the attack that he made and the manner in which he made it my blood boiled within me. The people of America know that General Marshall was the Chief of Staff during the war. Twelve million Americans wore the uniform under him—men and women, officers and enlisted men—and he was their Chief of Staff, and it was under his leadership that we won the war. The gentleman from Minnesota and many others voted against every bill that passed this Chamber prior to Pearl Harbor, bills necessary to save the liberty and the independence of our country. That is the type of argument you have, constant smearing and constant attacks upon outstanding men, the attack being directed because Chief of Staff Marshall, now Secretary of State, wrote the letter that he did to the gentleman from North Carolina [Mr. DOUGHTON]. I can understand disagreement with the letter; I can appreciate argument being made contrary to the views expressed by Secretary Marshall, but I cannot understand at all the nature of the attack made upon him. The American people will resent it.

No, this bill means nothing more than a return to the Smoot-Hawley days; do not let us get away from that. This means that the iniquitous conditions that existed under the Smoot-Hawley Tariff Act, and the preceding ones passed by Republican Congresses, are going to come back. Why even former President Hoover signed that bill with his tongue in his cheek, and when he did he made an accompanying statement apologizing for signing the Smoot-Hawley bill. I would admire the Republican Party more if they would have the courage to do directly what they are now doing indirectly by this bill, scuttling the Hull tariff program completely. The passage of this bill is a return to isolationism on the part of America. It shows what is going to happen if the Republicans ever get control of the White House. This bill is advance notice to the American people and it is advance notice to the nations of the world that if the Republi-

cans by any chance should get control of the White House as a result of the election next fall, that our country is going to go back to isolationism. The American people might just as well realize that now. This, the high cost of living, and the rental situation are going to be major issues in the next campaign, because the Republican Party has made them issues.

If you wanted to put through an extension for 2 years, for example, without crippling amendments, that is one thing, or if you had the decency to come in and continue it for 1 year without crippling amendments, but you have crippling amendments in this bill that destroy it, without having the courage to do it directly. That is the thing to which we object, and which the American people will resent, and which will constitute bringing back the iniquitous days that existed under the Smoot-Hawley bill, and be a message to the world that under Republican control, despite what the leaders and Presidential candidates say one way, the Republican Party in Congress is bringing our country back to the days of isolationism. Let there be no misunderstanding on the part of the people in that regard. The Trade Agreements Act has been the keystone of our foreign policy for 14 years. The principle of the trade-agreement program is written into the European Cooperation Act of 1948. While we appropriate from year to year, that is a 4-year program. The passage of this bill is a violation or a contradiction of the provisions of the European Cooperation Act of 1948.

There we have the situation. We know that the true nature of this iniquitous document is revealed in section 52, wherein the President is authorized to raise tariffs to the level of 50 percent in excess of those prevailing under the Smoot-Hawley Act. Again, for all practical purposes, this delegates the power to make reciprocal trade agreements not as during the past 14 years to the President but to the Tariff Commission, because for all practical purposes under this bill nothing can be done unless the President agrees with the recommendations or the action of the Tariff Commission. Any time the President disagrees with any of the recommendations of the Tariff Commission the reciprocal trade agreement cannot become operative, and Congress within 60 days can overturn any such agreement. What country do you think is going to negotiate with us under these circumstances? The passage of this bill is a complete repudiation of the Hull reciprocal-trade program, and means a return to isolationism by the United States.

Mr. DOUGHTON. Mr. Chairman, I yield 6 minutes to the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Chairman, I regret exceedingly that what in my opinion is the most important matter which has come before this Congress this session will result, as indications now seem to be, in the end of one of the greatest programs the country has engaged upon in the last quarter of a century.

When the Reciprocal Trade Agreements Act was passed in 1934 our country was in the worst condition economi-

cally, as far as exports and imports were concerned, in its entire history. Through the past 14 years, by the hardest of work, the most careful nurture, we have built a foreign trade, not what we should have, but one growing year by year in its importance. To disrupt this great program now will be one of the saddest things that has happened at this session.

I should like to read an excerpt from one of Mr. Hull's last messages to the Congress:

We shall soon have another chance to make a peace. This time we propose to make one that will last. We know that it cannot be lasting unless it embraces not only political and military affairs but also arrangements to provide the essential prerequisites to economic prosperity and to maintaining and improving standards of living in our own and in all countries. The trade agreements program is one of these essentials. Its purpose has always been—and must continue to be—to bring about a reduction or elimination, on a reciprocal basis of mutual benefit, of excessive barriers to trade which impair the well-being of all countries and thus undermine peaceful and friendly relations among nations.

Some people have an erroneous idea of the meaning of foreign or world trade. They seem to cling to the idea that trading with the world means selling the rest of the world our goods without buying any of theirs. Trading means the exchange of goods for goods—just as the farmer takes his produce to town and exchanges it for the supplies he needs, as the trapper on the frontier used to exchange his furs for food and clothing. So we see that if we will have world trade we must take the goods and products of other countries in exchange for ours. We must buy as well as sell. To revive this trading this administration devised these reciprocal trade agreements. These agreements make it easier for the foreign buyers of our goods to find a market for their goods here. Each one provides increased opportunities for a country to expand its purchases of our goods, provides that the trade of one country shall be treated fairly by the other country to the agreement relative to the trade of a third country, thereby preventing discrimination.

These trade treaties became necessary because as we built high tariff walls in this country, other countries of the world retaliated by building high tariff walls against our goods and these tariffs became formidable barriers to world trade. It was found to be impossible to get rid of all these trade barriers at once, but these trade agreements, by reducing our tariffs on some goods in exchange for an agreement on the part of another country to reduce its tariffs and other restrictions on our goods, encouraged trade instead of discouraging it.

These trade agreements are openly and fairly made. Mr. Noble, Under Secretary of Commerce, has given a clear description of the method of their negotiation, as follows:

Before we enter into trade-agreement negotiations with a country, public announcement is made of our intention to do so. The trade-agreements work is conducted by the Trade Agreements Committee, an interdepartmental undertaking in which participate the Departments of State, Treasury, Agriculture, and Commerce, and the Tariff

Commission. This committee is made up of nonpartisan experts, men of experience and judgment in foreign trade, who have no interest in anything except what is best for the country as a whole.

As a result of study of the trade and products of the two countries, there is published at the time announcement is made of intention to negotiate a trade agreement a list of products in respect of which we will consider making concessions to the other country.

When these products have been announced in this open and aboveboard manner, so that everybody who produces or deals in these products may know about it, then a date is set when all interested persons may be heard. If you don't think a product in which you are interested should be included in these negotiations, you have a full chance to say so. You can appear before the Committee for Reciprocity Information at public hearings in Washington and state your case, or you can file a written brief of your arguments and have them carefully considered. In one way or another everybody affected has a chance to be heard—an equal chance. There are no back-door methods; no chances for lobbyists to exert political pressure; no secret deals or swaps.

Normally the United States can and does produce more of a great number of farm and industrial products than can profitably be sold in the American market. When large quantities of such goods cannot be exported, our agricultural products pile up in unmarketable surpluses and our industrial production slows down. The result is felt throughout the country in depressed prices, unemployment, reduced wages, and poorer home markets for American producers.

Trade between nations declined sharply after 1929, largely because most nations, including the United States, set up excessive barriers against imports. By thus making it difficult for its people to buy things they needed and desired from other countries, each country made it difficult—in many cases impossible—for its own producers to sell their exportable surpluses in other countries.

The Trade Agreements Act was then set up and our foreign trade began to expand. A market gradually was being made for our surplus production. The United States was on its way to taking its proper place in the world. This country emerged from the war as the No. 1 Nation, but it has one strong rival. Now we must lead whether we will or not. Our course may determine the future of the world.

BENEFITS OF FOREIGN TRADE

Expansion of our trade with foreign countries benefits the whole country:

First. It benefits directly the great branches of American agriculture and the many industries, large and small, that have products to sell in foreign markets.

Second. It benefits directly American producers who use imported raw materials or semi-manufactured products in making their finished products.

Third. It benefits many workers dependent upon these branches of agriculture and industry essential for their livelihood.

Fourth. It improves domestic markets for American producers not directly interested in export or import trade; American farmers and manufacturers who can sell more of their goods in for-

foreign markets—and their employees as well—are better customers for the goods and services of Americans not in the business of exporting or importing.

Fifth. It raises living standards by providing more employment, more purchasing power, and more goods for American consumers at reasonable prices; it increases, to our mutual advantage, the exchange of products we grow or manufacture to better advantage than other countries, for products that other countries can grow or manufacture to better advantage than we can.

FOREIGN TRADE IS TWO-WAY TRADE

Foreign trade necessarily is two-way trade. We cannot export unless we import; we cannot import unless we export. Our exports provide purchasing power for the things we import; our imports provide purchasing power to foreign countries for the things they buy from us. People in foreign countries can buy our products only to the extent that they can acquire United States dollars to pay for them, and the only they can acquire dollars is through the sale in this country of their products (including gold and silver) and services, or by borrowing. Loans, even if available to them, merely postpone the ultimate necessity for payment in the form of commodities or services. If such payment is prevented, defaulted debts are inevitable.

It is deplorable that this great program is to be destroyed before peace is restored to the world.

The people of America want this program continued—their disappointment will find expression in the days ahead.

(Mr. CAMP asked and was given permission to revise and extend his remarks.)

Mr. GEARHART. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey [Mr. HAND].

(Mr. HAND asked and was granted permission to revise and extend his remarks.)

Mr. HAND. Mr. Chairman, as is so often the case, we lose sight of what the real issue is before us, sometimes as the result of an honest misconception of the bill, and sometimes as a result of deliberate political maneuvering, and criticism of the bill which is inspired for political purposes.

The issue in this case is not at all whether—as you might suppose from hearing some of the preceding speakers—we are going to extend the Reciprocal Trade Agreements Act. This bill does extend the reciprocal trade-agreements program. The question merely is a matter of administration, and that is whether this reciprocal-trade program is going to continue to be administered by the Committee on Reciprocity Information, which it seems to me has shown very little regard for the welfare of industry and very little knowledge of tariff questions, or whether we are going to substitute for that committee, which has done its work badly, the Tariff Commission, which is the normal and appropriate body in our Government to handle tariff questions. It seems to me it is as simple as that.

As a matter of fact, in many instances the State Department has handled this matter very badly, indeed. One of the

most shocking examples of their inept handling of it was revealed in the month of April, when, a couple of weeks after Czechoslovakia had given up to communism and had disappeared behind the iron curtain, the President, through his advisers in the Department, put into effect by proclamation a trade agreement with Czechoslovakia. In that trade agreement there were drastic cuts on dozens of items of glassware, for example. I speak of glassware, because that is a matter of considerable importance in my district. I was a little surprised to hear the gentleman from Arkansas [Mr. MILLS] imply that the cost of production should not be considered very much in these problems. Just last week I had the privilege of being in a very large glass factory in my district. I saw people working there, men who were getting \$1.70 an hour and getting as much as 30- and 35-percent bonus for doing effective work. I saw girls 18 and 19 years old making \$200 a month. If we do not consider that cost of production, if we do not consider this American standard of living, it seems to me we are on the wrong track. We have been on the wrong track. So the issue is very simple. We are merely substituting for the State Department, which has revealed itself incompetent to do this job, the Tariff Commission.

Furthermore, we are doing one more thing which is exceedingly important, and that is that if the President concludes to execute a tariff agreement, notwithstanding the objections and study made by the Tariff Commission, then, finally, under this bill, that agreement cannot be effective until it comes before the Congress and lies before the Congress for a period of 60 days, during which period we have a right to denounce that agreement. That is exactly what I have been fighting for; fighting to restore to Congress its constitutional right and duty to deal with any mistakes which may have been made by the President.

This bill has been subjected to the usual smear technique by the Administration, which has been yelping with anguish at the prospect of the State Department having its unlimited powers over tariff matters curtailed.

The reciprocal trade program has heretofore been handled entirely by the State Department, and has been used extensively as an instrument in carrying out a confused and inept foreign policy. Concessions have been made without due regard to the effect on domestic industry; in fact, as I have said, it has been handled by a group that had little knowledge of the need of domestic industry and a vast indifference to its welfare.

The trouble with reciprocal trade, as handled by the State Department, has been that there has not been too much trade, and it certainly has not been reciprocal. Trade is an exchange, and reciprocal means on an equitable basis, with some benefits moving to both parties. But what has been happening is that we have continuously reduced our tariffs to encourage the imports of foreign goods at a time when we could not export for money or trade. We have been exporting, but for the most part, we

have been exporting only gifts. The program has been on a one-way street in which all of the concessions have been made by the United States, and none of any consequence by any foreign countries. The cry is to reduce or eliminate barriers against trade, and I agree—but the trouble is that the barriers that have been reduced have been ours, while foreign barriers, including export and import quotas, and licenses, have been strengthened and increased.

The immediate effect of the ridiculous concessions made to the Czechs will largely be felt by workers in handmade glassware, but the ultimate effect, if the program is not sensibly supervised, will constitute a serious threat to the whole glass industry in my district employing over 9,000 workers. Why this great industry and these workers should be subjected to such economic hazards for the benefit of Czechoslovaks is one of the major mysteries in the chaotic conduct of our foreign affairs.

Notwithstanding the cries of those who hate to let go of any of their power, the present legislation does not, by any means, impair our policy of reciprocal trade. It extends the program for a year, but it does substitute, as it should, the Tariff Commission as the proper body to study these tariff questions instead of the diplomats of the Department of State.

The power of Congress to veto a bad agreement is what I have been seeking to restore for a long time, and is almost precisely modeled after the bill I introduced in April 1947. If such provision had been in effect, you can rest assured the further concessions recently made to Czechoslovakia would not have been made.

I am for reciprocal trade, but I want it to be reciprocal. When we make the vast concessions that we have, for example to Great Britain, and when we loan and give billions of dollars worth of commodities to Great Britain, I do not want to see Great Britain pay us back for our generosity by monopolizing the market in cocoa, and forcing up the price of cocoa, thereby exacting tribute from every person in America, who buys a piece of chocolate. That is precisely what is happening today.

Mr. Chairman, I have made a considerable study of this problem nationally, and I have made a particularly intense study of the question as it affects my district, more particularly the glass workers and glass industry of my district. In that connection, I have consulted extensively with Mr. Harry Cook, President of the American Flint Glass Workers Union, with Mr. Lee Minton, President of the Glass Bottle Blowers Union, and with many local officials of local unions, including the American Plate Glass Workers. I have talked on numerous occasions with the leaders and management of the industry. This program in the hands of the State Department constitutes a threat to the whole industry; but the extension of the program, with the safeguards that have been provided does not.

I voted against this program before. I am glad to support this bill, with the

changes that have been made. I congratulate the committee on the excellent job they have done to continue the program, but at the same time, to set up proper protection for local industry.

Mr. GEARHART. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, in supporting this bill, I hope it will be clearly understood that I do not oppose the economic philosophy of the Reciprocal Agreement Act. As a matter of fact, I have supported in the past all renewals of that act that have come before the House. Frankly, I believe in the program. But I cannot for one moment believe that this bill, if enacted, spells the death of the program. If I so believed I would be against it. I am not panic-stricken by some of the assertions made by the opponents to this bill that its passage will wreck the whole thing and incidentally wreck all of our economic relations the world over and make impossible the successful operation of ECA. I cannot bring myself to any such belief as I read the terms of this bill. For many years I have been a very firm admirer of the present Secretary of State. I have no sympathy whatsoever with some of the suggestions that have been made on the floor today to the effect that the last war cost three times as much under his military leadership as it should have cost, or any other aspersions upon his record. I may say at this point that it is my view and conviction that General Marshall headed the finest army the world has ever known, the best fed, the best clothed, the best equipped, and led with the greatest brilliancy. It achieved a victory seldom if ever equaled in the history of the world. So let us put aside the suggestion that this man is not an able man.

At the same time, I regret that the Secretary of State wrote such a letter as was read to us in part, I believe—perhaps in its entirety—by the gentleman from North Carolina. The people across the seas, reading a letter of that sort from the American Secretary of State, are apt to come to the belief, and I fear some of them may, that this bill means the abandonment of the reciprocal trade agreements policy of the United States Government. It may be impertinent upon my part to observe at this point that I doubt the Secretary of State would have written such a letter or expressed such an opinion had he consulted some of the Members of this House.

Now, looking toward the future—and I know that prophecy is a risky business—none of us know exactly how the next administration of this Government will be composed. I am not going to talk politics or suggest any political conditions in the months to come; but, however the next administration is composed and under whatever party leadership, I cannot believe for one moment that that administration will deliberately wreck the reciprocal trade-agreement program. I do not think it will be as grossly partisan as that. The next administration, whoever is at the head of it, Democrat or Republican, will have ample time to study, for example, the then apparent effects of

the ECA program which must be reported to the Congress early in the next session; and also it will have ample time to study the suggestions which will be contained in and submitted to the Congress under what is known as the ITO program. Those two things, and I shall not go into detail about them, are intimately connected with the ultimate objectives, we will say, of the reciprocity program. They should all be considered together and weighed together.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GEARHART. Mr. Chairman, I yield the gentleman one additional minute.

Mr. WADSWORTH. Mr. Chairman, I have absolute confidence that they will be considered together and thus weighed. Not for one moment do I believe or have any confidence in these prophecies uttered upon this floor in this debate to the effect that the passage of this bill will end the reciprocal trade-agreements philosophy. I believe we are living in a modern world where conditions are not the same as they were 20, 30, or 40 years ago; that there must be more cooperation amongst the nations. I think the administrations to come will agree with that. That being my belief, I am not frightened by the passage of this bill. If it does not pass my dread is that there will be no renewal at all; and that, to my mind, would be a catastrophe.

Mr. GEARHART. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, the time set under the rule for discussion of this bill is drawing to a close. I regret exceedingly that the minority during the entire debate this afternoon, with one exception, has completely ignored the resolution under consideration and has completely ignored any reference to specific ways in which this legislation, if passed, would create the terrible conditions which they picture. I said there was one exception; that was the gentleman from Arkansas, who did present to this House his judgment of the matter. You will recall he outlined wherein he felt that the Tariff Commission as a body could not accomplish the task which was being assigned it under this legislation. I have a high regard for the opinions of that gentleman, but I wonder whether he and the Members of the House are acquainted with the fact that the Tariff Commission today is doing basically just exactly what we are now asking them to do by this resolution in the future.

I want to call his attention to studies made by the Tariff Commission prior to the negotiations that were entered into in Geneva. I think it would be wise for every Member of the House who has any question on this score to examine those studies. I hold in my hand 1 out of 16 volumes prepared by the Tariff Commission, called the Trade Agreements Digest. It contains complete factual information with regard to all of the commodities that were under discussion at Geneva. It was prepared for use of the negotiators. Now this is public information and does not contain an

additional recommendation made by the Tariff Commission to the negotiators. The additional recommendation is a secret one setting forth to the negotiators what the Commission itself feels is a reasonable limit to which the negotiators can go in establishing new duties.

Since we are not imposing any new system which has been untried as far as being impracticable from the standpoint of the Tariff Commission is concerned, it certainly cannot be claimed that the trade program is crippled because of the provision requiring findings by the Tariff Commission. Yet if you will read the debates that have transpired this afternoon, the remarks of the minority, you will find that they have discussed the personality of practically all of the majority members of the Ways and Means Committee; they have discussed the question of whether we should have a high tariff or low tariff; the question of internationalism and isolationism, but nowhere have they attacked the basic principle involved in the resolution here being considered except in vague generalities. Therefore, I suppose they have no such argument against it and must confine themselves to generalities.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. GEARHART. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. GOODWIN].

Mr. GOODWIN. Mr. Chairman, many people seem to be of the opinion that it is unthinkable that the Congress should fail to rubber stamp the request of the President for a 3-year extension without amendment. The administration is of course within its rights in making such a request. By the same token we are within our rights in extending the act for a shorter period and with administrative changes which we believe will be an improvement. I regret that responsible officials of the State Department in criticizing our contemplated action have made statements so obviously extravagant that I fear public confidence in the Department will not be enhanced.

We are told that if we pass this bill it will be said in the other countries that we have reverted to isolationism. With the knowledge abroad of the billions we are sending over to help our sister nations and with the knowledge that we are the largest trading Nation in the world it is hard to imagine that our friends in foreign lands will call us isolationists.

We are extending the Trade Agreements Act and that is the story that will go abroad. I doubt if there is any magic in the figure 3 or that American leadership will be imperiled because we fail to use it. We are extending the act.

There is abundant logic in extending the act to June 30, 1949. That is the date which marks the end of the base period provided for ERP. Just as the Congress anticipated that it would be wise to have an opportunity to review the administration and working of ERP at the end of 15 months so will we be wise to day when we so legislate that the succeeding Congress, the Eighty-first, will have a chance to review the administration of the Foreign Assistance Act and the ex-

tended Trade Agreements Act at the same time.

There is also abundant logic in setting up the Tariff Commission as the board to make a study of items submitted by the President and after hearings report to him. This Commission, trained in tariff matters, should certainly make a more satisfactory fact-finding body than the Committee on Reciprocity Information which it will replace. Criticism currently leveled at the administrative machinery of the act will be reduced. The making of trade agreements will be put on a business basis and removed from fear or suspicion that the domestic welfare is being subordinated to considerations of international policy.

Many important segments of American industry, agriculture, and labor are justifiably apprehensive in the present situation in the light of the experience with the trade-agreements program as administered for the past 14 years. These basic elements of our economy will take renewed confidence when this bill is passed.

Many well-intentioned groups and individuals not versed in the intricacies of tariffs and trade but relying upon the representations of others in asking Congress to extend the act without change are worrying about the wrong thing. Instead of being alarmed about failure of our leadership in world affairs they should be evidencing real concern about our domestic welfare.

I doubt the wisdom of too much too-free trading with nations whose wage standards are notoriously lower than our own. It would be disastrous indeed if the standard of living of American workers should be forced down to the lower level prevailing in other lands.

Under our Constitution the only authority to deal with tariffs is vested in the Congress. Whatever authority the President or the State Department are now exercising in the matter of trade agreements was delegated to them by the Congress. In this sweeping delegation of power, never intended by the framers of the Constitution, we have departed pretty far from the ancient landmarks. I am satisfied that the American people will applaud our action in writing into this extension bill the reasonable provision for having the President seek advice on contemplated changes from a board trained in tariff matters and allowing the Congress to pass upon his action if he fails to follow that advice.

I believe in the principle of reciprocal trade. Reciprocity has been good American doctrine and good Republican doctrine since the days of McKinley. But reciprocity has been overlooked in some of the trade agreements thus far entered into. Concessions have been granted which leave reciprocity out. The danger is that the State Department charged with the responsibilities of diplomacy, in its zeal to promote international good will may enter into trade agreements with other nations without full consideration of the possible impact upon our own domestic economy.

Our Government was designed to be a government of checks and balances. We will help to keep it so when we write the proposed procedure into this bill today.

Mr. GEARHART. Mr. Chairman, I yield 4 minutes to the gentleman from West Virginia [Mr. ELLIS].

Mr. ELLIS. Mr. Chairman, the details and operation of the proposals made under H. R. 6556 have been thoroughly and ably discussed by some of the majority members of the committee. Consequently, any additional discussion of the technicalities of this bill will serve no useful purpose. I would like to make a few observations.

There is not a Member of this body who does not believe in and support economic progress. The function of our whole economic activity is to produce food, shelter, clothing, and other goods and services essential for the material welfare of a people.

Since the dawn of the history of mankind there has never been wholly adequate supplies and distribution of these goods and services.

Economic progress consists in making these supplies more abundant and doing this in such a manner that all people have a full opportunity to participate in this progress. All economic systems are concerned with producing, distribution and consumption—getting goods produced and making equitable distribution and consumption.

Nations have tried, or are trying, various patterns. The method in the United States is a system of free, private enterprise which is intimately related to our basic freedom of the individual and his individual rights.

The United States through its system of free, private enterprise has enabled our people to achieve a degree of economic well-being that has no parallel in all history.

We want to enjoy and share our economic progress with honorable people throughout the world.

There is not a member of this committee, or of this Congress, who does not want to develop international trade to the fullest; who does not want to export our products and materials, and import the products and materials of other nations in a manner that will promote the economic progress and well-being of all concerned. Our enormous production machine is geared to many necessary imports.

We are not a high protective country and have not been for some years. Experts listed us about sixth in the order of height-protection duties before the recent war, but now few countries have less tariff protection than does the United States. Possibly ours will, under the Geneva agreement, be lower than any competing country.

Referring to the remarks of the gentleman from Ohio [Mr. JENKINS], the decreases agreed to at Geneva affects more items in the tariff than has ever been the case before. About 3,600 rates are affected. It is the first time any major tariff changes made at one time in which no elected representative of the people in Congress assembled had any direct part. Between 1934 and the Geneva Conference about 1,200 item changes in the Tariff Act of 1930 had been made. In this also Congress had no direct part.

Since the beginning of lend-lease, and with the \$17,000,000,000 proposed for the

Marshall plan, this country will have given away approximately \$85,000,000,000 in supplies—consumer and durable goods. All this out of American production.

It appears that a vast majority of the opponents of this measure give credit to the reciprocal trade agreements for the tremendous export business they have enjoyed in this period. This assumption is obviously completely without foundation. And the assumption is more than likely responsible for the favorable sentiment expressed by the gentleman from North Carolina a moment ago.

Many editorials and letters received indicate that some of the opposition is firm in the belief that if this legislation is approved, all export and import trade will immediately terminate.

This belief has been expounded by administration spokesmen. Of course, the statement is a gross misstatement of facts and the conclusions are wholly erroneous.

No existing agreement will be disturbed, and provisions remain for the orderly negotiation of other agreements. And to say that the prescribed preliminary procedures would involve undue delays to confess a lack of understanding of the provisions.

And to say the proposal will sabotage the reciprocal trade program is too ridiculous to be discussed. No responsible person could make the statement and be serious about it. If the reciprocal trade program is wrecked under this bill, the administration will have to wreck it.

There has been so much recent emphasis on the volume of foreign trade that many have lost sight of the essential objects of such trade.

There are many who seem to believe that if only international trade can somehow be made big enough, the present economic inequalities between nations will be wiped out. This is wishful thinking.

The prosperity of a nation, or an area, depends upon the quantity of goods and services which that nation or area can produce and consume not upon the percentage of those goods which are shipped in international trade.

No matter how much is first exchanged with other nations the total available for a nation itself to consume is, over a period, equal to the amount produced and no more.

Some nations find it difficult or uneconomic to produce certain items. These they seek abroad and they endeavor to produce in excess of their own needs enough other goods to pay for the things they want to import.

Their foreign trade, be it large or small, is based upon what they need to import, and the quantity they can afford to import, that is the quantity they can afford to pay for by means of exports. The prime purpose of foreign trade is to allow nations to obtain things they do not have.

This is simple to understand but the matter has been confused by the propaganda of the State Department which, since 1934, has sought to prove that increased foreign trade is the cure for all of the world's ills.

Rabid proponents of undeviating blind adherence to the administration's course

of action in the Geneva Conference with 18 foreign nations profess to believe that there no middle ground on this trade-agreement question; that opponents to the extreme lengths to which the administration intends to go, are advocates of economic isolationism.

In other words, if you are not lily white you must be per se ink black. That is nothing but Simon-pure political clap-trap.

Our people have every reason to be apprehensive regarding the result of foreign trade when world economic conditions approach an even keel and the operation of the Geneva agreements become fully effective.

They will find that we have made all the sacrifices and that is the very reason they will welcome the safeguards provided in this measure.

(Mr. ELLIS asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I yield such time as she may desire to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, I am opposed to this bill. May I say to the Members on the opposite side of the aisle who are so astonished that the Democrats are opposing this bill and so astonished that the Democrats have contended that this bill is the beginning of the end of our reciprocal trade program that if they read the newspapers they would find that we Democrats today are expressing the popular opinion of the American people in their opposition to the bill offered by the gentleman from California [Mr. GEARHART].

I refer the Members, Mr. Chairman, to such newspapers as the New York Herald Tribune, the New York Times, the Boston Herald, the Washington Post, the Washington Evening Star, the Washington Daily News, the Denver Post, the St. Louis Post-Dispatch, the San Francisco Chronicle, the Christian Science Monitor, and so forth. Newspaper after newspaper from New York to Texas and from California to Georgia is opposed to this bill and rightly. It is the beginning of the same ruinous program that helped bring on the depression in 1929.

Yesterday I inserted in the RECORD editorial comment from other newspapers, expressing their concern of the program offered by Republican leadership in the House as a substitute for our reciprocal trade agreements program. As the New York Post said on May 7:

Any refusal to extend the act (trade agreements) unamended for the full 3 years requested will be the tip-off that many Republicans are reverting to type. A type which can scarcely be trusted to guide America to responsible world leadership in the demanding days to come.

The policy followed under Secretary of State Hull and President Roosevelt in building up a sound and equitable trade program throughout the world has been endorsed by the great majority of both parties because it has benefited the business interests, the farmers, and the working people of this country.

We are the richest Nation in the world today, and one of the most important factors which contributes to our pros-

perity is the fact that trade barriers do not shut off commerce between the States. This rule holds good for the community of nations. We have supported it and have assumed world leadership in the international economic field.

As the San Francisco Chronicle said on April 7:

Reciprocal trade has been the ruling policy of the United States in its foreign economic relations for 14 years. It is part and parcel of our whole tariff structure, it is at work right now in a vast, complex world pattern of exchange of goods and there is no justification at all for the apparent determination of a few strategically placed foes of this policy to strangle it. * * * Passage of the European recovery program has given a wholly new significance to the Reciprocal Trade Agreements Act. * * * What kind of sense would it make for the United States now to reject the very course for which we have exacted their pledges? Failure to extend the reciprocal-trade policy would be taken by the world as a signal of American retreat into economic isolationism.

The reason that this bill before us is destructive of the whole reciprocal trade agreements program is that it opens the door to logrolling, which shows that the Republican leadership which has endorsed this bill either does not believe in reciprocal trade agreements or does not understand them. Those who are honestly opposed to the reciprocal trade-agreement program are for this bill because it does just what they want. No wonder they think that turning over our whole trade program to the Tariff Commission is a good idea.

The Tariff Commission is an agency which protects the interests of those who want tariffs. This group has a right to representation, but it has not the right to the sole representation in this program. Under the present arrangement the Tariff Commission is one of seven Government agencies representing various phases of the American economy. For instance, the Department of Agriculture protects the interests of the farmer; the Department of Labor protects the interests of the worker; the Department of Commerce, that of all industry—not just high tariff industry; the Department of Interior, our basic resources; the Department of Defense represents the security interests. Under the Republican bill, the Tariff Commission would be made superior to all other interests in our economic life and would be made the final word, with added pressure from Congressmen who represent districts with specific interests.

The pages of history show plenty of examples of the way such log rolling works out. One of the Members today referred to a declaration of political faith. I think this bill is a declaration of Republican political faith—a faith that dates back to pre-McKinley days. It is a retreat to isolationism. It is an indication of what we can expect if the Government of this country is to be turned over to people who practice this philosophy.

If that wing of the Republican Party, which has voted with some international vision in the past, expects to have its votes count in the future, it had better vote with the Democrats today.

Mr. Chairman, there has been much criticism of the sub-committee of the House Ways and Means Committee for not having held open hearing on this very important bill which is the core of sound international economic policy. I shall include in the Appendix of the RECORD today a press release of the protests made by many organizations whose knowledge of the reciprocal trade program is of long standing.

To quote another editorial—that which appeared in the Washington Evening Star on April 29:

In this issue the Republican Party * * * faces a critical test of its fitness for the momentous responsibilities of the next 4 years.

(Mrs. DOUGLAS asked and was given permission to revise and extend her remarks.)

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, the reciprocal trade agreements program has been the keystone of America's foreign commercial policy since 1934, and its adoption was one of the major accomplishments of the Roosevelt administration. This forward-looking and progressive program is based upon two major premises: one, that world peace and foreign trade are inseparable, and that a thriving international trade is one of the economic cornerstones of world peace; and two, that America's prosperity requires the expansion of our foreign trade, especially, our export trade, with other nations. In other words, the trade agreements program was an integral part of the Roosevelt foreign policy of international cooperation and his domestic program of full employment and his economic bill of rights.

The immediate objective of this program was to expand American export trade by authorizing the President to conclude trade agreements with other countries in which the United States tariff rates are lowered on noncompetitive commodities in exchange for trade concessions in the trade-agreement country. The effect of such agreements has been to stimulate American exports by providing to foreign countries more dollar purchasing power to buy American goods. The record shows that the program has been a successful operation. Following the enactment of the Reciprocal Trade Act in 1934, the value of American exports increased steadily. During 1935 our exports exceeded those of 1934 by \$150,000,000; during 1936 they increased by \$173,000,000 over 1935; and during 1937 they increased by \$893,000,000 over 1936. American exports during 1938 and 1939 were well above the 1936 figure.

The economic consequences of this program of expanding foreign trade has been more employment, greater production, higher per capita incomes, and better living standards for the people of our Nation. This is especially true for my State of Minnesota. The pattern of Minnesota's economy is most sensitive to changes in the level of foreign trade, and her prosperity is dependent upon a sound and thriving international com-

merce. The State's agricultural, mining, transportation, and manufacturing industries all benefit from any increase in export sales, and have benefited directly from the reciprocal trade-agreements program.

For example, considerable amounts of Minnesota meat, corn, wheat, and flour finds its way into the channels of foreign trade. Our State produces the iron ore needed to produce farm and other machinery, trucks, tractors, and automobiles which are shipped abroad. Minnesota's railroad and shipping industries are vital links in our foreign commerce and the volume of tonnage handled varies directly with foreign trade fluctuations. Among the industrial commodities produced in Minnesota for export are condensed milk, asphalt roofing, dental equipment, sporting goods, rubber goods, and many others.

Thus, I can say with certainty that Minnesota has benefited greatly from the expansion of foreign trade resulting from the trade-agreements program. This program has meant expanded pay rolls, better pay and more production in our iron mines, and our manufacturing industries—it has meant a greater income for Minnesota's farmers, and a greater flow of tonnage over our railroad and transportation system. My State has an important stake in the trade-agreements program and the maintenance of high levels of production and employment will depend greatly on exports in the years ahead.

Because of the importance of the reciprocal trade agreements program to the people of my district and my State, I must protest against the measure now under consideration (H. R. 6556) to emasculate the Trade Agreements Act. The Republican-sponsored bill would destroy the trade-agreements program by setting up complicated and unworkable procedures to prevent the President from negotiating new agreements. The provision which permits the Congress to override the Chief Executive in making tariff reductions can have only that effect.

By vesting the power to determine minimum tariff rates in the Tariff Commission instead of the Committee for Reciprocity Information, our tariff rates are certain to be manipulated for the benefit of various selfish and monopoly interests in the United States without regard for the interests of the workers, farmers, consumers, and businessmen of America. H. R. 6556 will make possible the imposition of tariff rates 50 percent higher than those authorized by the unsound Smoot-Hawley Tariff Act of 1930, which resulted in tariff wars, the stagnation of international trade and which contributed to world depression. Expansion of the program for only 1 year creates doubts as to United States future commercial policy, and will be a serious blow to America's leadership in the field of world economic cooperation.

In my opinion, this proposal reflects the reactionary and eighteenth-century philosophy of the Republican Party which has proved so unworkable in practice. Its enactment will tend to undermine international economic coopera-

tion and retard the establishment of the economic foundation for world peace. It will tend to make the heavy burdens placed on our economy by the ERP heavier still. For this reason, I want to go on record as opposing this unwise proposal. I also want to say that I am in full support of the minority proposal to extend the present Reciprocal Trade Agreements Act in its present form for another 3 years. In supporting the 3-year extension substitute amendment, I know that I am speaking in the best interests of Minnesota and the Nation.

(Mr. BLATNIK asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Chairman, I have always favored international cooperation to stabilize trade, reduce artificial barriers, adjust monetary exchange differentials, and thus encourage the flow of healthy commercial intercourse between nations. But these measures must be executed, I submit, without jeopardizing the high prevailing American standards of wages and living to which our own labor, industry, and agriculture have become accustomed.

I have the honor to represent a district which is to a large extent industrial. It is a district of many factories, large and small, producing a truly tremendous quantity of diversified products. A high level of wages prevail in general. Reasonable hours and wholesome conditions of work are in effect. The health, safety, and welfare of our faithful workers are protected to as generous a degree as any place in the country. Our farms and homes are for the most part well-built, modernized and equipped with up-to-date comforts and conveniences.

These high standards did not come out of the clear sky. They are the result of generations of struggle, effort, sacrifice, and initiative by both labor and industry. They represent the progress of America in the arts and sciences of production and enlightened, forward-looking government. They are not only unprecedented but unequaled in any other nation in the world. These high standards of wages and living must be zealously conserved and protected. It must be abundantly clear that if we would retain the integrity of these great and most beneficent social gains which have redounded to the betterment of our people and Nation, we cannot permit an influx of cheaply produced foreign goods to glut the American market, imperil our industries and create widespread industrial unemployment.

This does not mean that we shall turn our backs on the rest of the world and refuse to trade with friendly nations. To the contrary we must seek to build our foreign trade encouraging the importation of goods we need without dislocating our own industries and encouraging export of goods other nations need without injuring their internal productive economies. Let us trade with others when we can do so to our advantage and when we can do so without inflicting harm, damage, and detriment to American in-

dustries. By the same token, let other nations trade with us when they profitably can, although frankly I can see nothing but temporary transient gain and ultimately a great deal of harm in the current situation wherein the United States is giving billions of dollars to foreign nations to enable them to purchase American goods. Such a policy may be justified in order to try to expedite economic and social recovery of the so-called democratic world but it can never be the basis for enduring and mutually profitable trade relations between ourselves and other nations.

Under this bill our choices are limited. We can vote for the motion to recommit which in effect, if sustained, would continue the present reciprocity program without change or amendment for 3 years. This course is entirely repugnant. We can vote against the bill in its entirety, and this course, since it would inflict a crushing blow to the whole recovery program, is undesirable and to my mind unwise. We can vote for the present bill with its obvious infirmities but with its assurance of some discoverable protection for our working people and our industries in a world of shattered, broken standards and values for 1 year. At the expiration of this time we should, and probably will have to, revise and revamp our trade policies in keeping with domestic and foreign developments.

This bill gives to the Congress more definite control over our commercial relations and tariff needs. It continues for only 1 year. It makes, I think, for stability and order in our own productive system as well as in our foreign trade relations and assists the foreign recovery program. I will therefore vote for this bill.

(Mr. PHILBIN asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, the principles of the trade-agreements program that has been carried out over the past few years, in my opinion, has not only created good relations with other countries but it has been as Secretary Marshall so well said "a cornerstone of our foreign economic policy." It is my definite opinion that this measure will seriously handicap our stock-piling program here in America, and this program, at the present time, is in a very critical state. I am hopeful that before this measure becomes law we will be able to work out a bill that will extend the trade agreements for at least 3 years, and I am opposed to this measure in its present form.

(Mr. DURHAM asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I yield the remaining time on this side to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, the gentleman from New Jersey made some mention of the United States State Department recognizing an agreement

made with Czechoslovakia. I call the attention of the Members to the fact that the agreement was made in concert with more than 20 other nations before the Czech Government went behind the iron curtain, that we still have diplomatic relations with that country, and that we were in duty bound to honor that agreement the same as all other nations signatory to that agreement have done. So do not let that have any effect upon your judgment in this case.

Now let me refer to the remarks of the gentleman from New York who mentioned the letter of the Secretary of State. We all have the highest respect for that gentleman. But I am sure we must recognize it is the duty of the Secretary of State when an inquiry is made of him as to his opinion of the effect of a particular measure up for consideration by the Congress to give his opinion as he sees it. That is what the Secretary of State did in this instance when he stated that this bill would be worse than no law at all. I also wish I had the same confidence as the gentleman from New York with respect to the attitude of the next Congress, whether it be Republican or Democratic. He said he had all the faith in the world that the Republican Congress would continue this reciprocal trade agreements program—and he believed it. But, Mr. Chairman, the record of the Republican Congress certainly does not bear that out. Attention has been called repeatedly on the floor of the House to the record of the Republican Members of the House to the vote initiating this program and the vote on the question of renewing it. Republicans voted 30 and 40 to 1 against the program. I also call attention to the fact that the ranking members of the majority party on the Ways and Means Committee have repeatedly voted against this program. Therefore, I think the confidence of the gentleman from New York is very much misplaced when he says he believes that the next Congress, if it be Republican, will continue this program of reciprocal trade agreements in full force and effect.

Mr. Chairman, why this sudden change on the part of these Members who heretofore opposed this program? Why these protestations that this is only an extension with minor alterations? Why these declarations of support for an extension? I believe those Members who are saying that to you today have the same opinion in certain respects, as I have. They know it will be practically impossible to negotiate a single program within the next year during the life of this extension because of the restrictions imposed, because of the red tape imposed, and because of the change in the body which will make recommendations to the Congress. A question was asked of the chairman of the present Tariff Commission, how much time it would take the Tariff Commission to do the same job as was done at Geneva by the body which had charge of these matters, and he said it would require 2 years or more. That is the answer of the present chairman of the Tariff Commission. In the 1947 report the Tariff Commission said it did not now have the number of

employees they need to take care of the work they already are obligated to do.

Mr. Chairman, even under the most favorable circumstances, with no study, survey, or investigation, it will take 1 year for the Tariff Commission to make a report. By that time, the law will have expired. Remember, the President can only start to negotiate with foreign countries after he gets this report. Does that agree with the statements that have been made, to the effect that there are only minor alterations contained in this bill?

Mr. COLMER. Mr. Chairman, will the gentlemen yield?

Mr. EBERHARTER. I yield.

Mr. COLMER. I call the attention of the gentleman to the fact that I have talked with Mr. Will Clayton, who has made a very careful and thorough study of this matter. He tells me, as the gentleman has just said, that they cannot operate under this program.

Mr. EBERHARTER. I thank the gentleman.

Mr. Chairman, it has been said here and in the report that the Tariff Commission will make a study of the effect of proposed negotiations on the domestic economy. There is nothing in the bill about that. The only reference is to domestic producers. It does not say a word about domestic economy in this bill. I hope the membership will vote the bill down.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD on the pending bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. LEMKE. Mr. Chairman, I have voted against the reciprocal trade agreements on every occasion. I voted against them at their inception. I knew then, and I know now that these trade agreements were born in the fertile brain of our international manufacturers and bankers—the economic royalists.

When these reciprocal trade agreements were brought up for the first time in Congress in 1934, the international bankers and manufacturers were out in the open. They boldly proclaimed that in order to collect what foreign nations owed us, we would have to surrender our local market to these nations until these foreign debts were liquidated. They did not, however, tell us that they were to make a profit. They did not tell us that the farmer, the laborer, and the small producers would be made the shock absorbers.

Every reciprocal trade agreement that has been made since the inception of these laws was made in favor of the international bankers and manufacturers. In every such agreement the farmer, the laborer, and the small-business man was sold down the river.

These agreements were the forerunner of the international conference held recently, where the foreign horse traders, with the consent and acquiescence of our Government, decided that the farmer's maximum price on wheat should be \$1.10 per bushel. In other words, the farmer's

throat was cut by some 31 foreign nations fixing the price at which his product was to be sold to them.

I find no fault with the Members representing General Motors, the automobile manufacturers, General Electric, and other international manufacturers, and those representing the international bankers, for feeling that they must vote for some kind of reciprocal trade agreement. These agreements are in line with the present policy of our executive department of depleting America of its resources. They are in line with the slogan, "Foreigners preferred—Americans forgotten."

I shall vote against the motion to recommit, which would continue the present un-American policy, and then I shall vote against even 1 year's extension. I think this un-American legislation—legislation the object of which is to reduce the American standard of living—should be allowed to die a disgraceful death on June 30.

Mr. KEATING. Mr. Chairman, I shall support this bill. I would not do so for 1 minute, however, if I believed that it meant the scuttling of the reciprocal trade program.

Although I realize that there are those in Congress who are not in sympathy with the basic program, I feel that it has become an integral part of our foreign policy and that it is decidedly in our economic, as well as our international interest to continue it.

For that reason it seems to me extremely unfortunate that the Secretary of State, under whose distinguished military leadership I was privileged and proud to serve, has seen fit to make a statement in substance that he would rather have nothing, than the bill now proposed. His statement gives support to those who, for political motives only, argue that the passage of this bill evidences an intention on the part of the majority party to pursue a policy of isolationism. There are many on this side who would oppose at every juncture any such move. It is simply not realistic in the face of modern conditions, and constantly improving methods of communication, resulting in shrunken oceans and contracted plains.

Although I can see the practical necessity for speeding up the legislative process at this late date, it is a matter of regret to me that this bill was brought before us under a closed rule, thus barring the discussion of proposed amendments some of which might, in my judgment, substantially improve the measure. I felt it necessary to vote against the rule.

Under the situation which we now face, however, we must choose whether we will vote to continue this program for a little over a year with certain amendments, or vote to end it now. Let there be no mistake on that point. If this bill is defeated, it means the end of the entire reciprocal trade program on the 12th day of next June. I am unwilling to cast a vote which would have that result.

I would have been happy to see a 2-year extension of this program. Certainly it seems to me we should not depart from the policy pursued by the pres-

ent minority party when it was in power, to have each Congress take a new look at the operations of the act and make such changes and improvements as appear desirable in the light of newly developed facts. Their about-face in this respect lends additional weight to the purely partisan character of the opposition.

On the whole, I incline toward the view that a 2-year extension would also give a greater opportunity for negotiation with foreign countries. On the other hand, there is much to commend the principle of a 1-year extension in two respects. In the first place, under the European recovery program, with which the principle of reciprocal trade is correlated, the so-called watchdog committee, which has been set up to survey the operations of the Economic Cooperation Administration, report to the Congress on its operations and make recommendations for changes, will presumably complete its first survey and file its findings during the next session of Congress. Thus the termination of the extended Reciprocal Trade Agreements Act will coincide in time with the report to the Congress on this matter, so intimately tied up with the questions involved in international trade—a most natural and fortuitous result.

In addition the next Congress is to consider the charter of the International Trade Organization which, if adopted, will require legislation of a permanent character relating to our trade with other nations. At that time it will be essential that we review completely our present trade program and policies.

There have been abuses in the administration of the reciprocal trade program. Anyone who blinds himself to this fact shuts his eyes to reality. That it can be improved no one can doubt. It is to be hoped that such improvement will result from the terms of this bill. If that is not the result when the matter comes before Congress the next time, appropriate adjustment should be made.

In the meantime, it is suggested that those who are groping so frantically for a campaign issue, regrettably at the expense of presenting to the world an entirely false picture of the foreign policy envisioned in this legislation, ponder on the fact that it will be supported by many who have been in the forefront of those who recognize the international responsibilities of this Nation and advocate their fullest discharge.

Mr. CARROLL. Mr. Chairman, the debate on the rule and in favor of the passage of this resolution has convinced me, beyond doubt, that the Republican leadership of the House intends to sabotage the reciprocal trade program next year. They would do so now if it were not for the impending election.

All of the Republican leaders who advocate passage of this resolution are confirmed foes of the Reciprocal Trade Act which has been in operation some 14 years. Their voting record is clear proof of their hostility. Why then should we now assume that it is their present intention to strengthen existing law? Is this our first experience with the ma-

jority leadership in the crippling and emasculating of legislation?

This course of action has been repeated so often in the Eightieth Congress that only the uninformed can be misled. This is the same old pattern of doing by indirection that which they do not have the courage to do directly. Republican leaders are aware that the great majority of the American people are in favor of extending the reciprocal-trade program for another 2 or 3 years. With that knowledge Republican leaders, serving special interests, dare not take too drastic action before the coming election. Therefore we have before us the present resolution extending the time period until just a few months after election.

I say to you that this is booby-trap legislation and that the time bomb is set to explode after election. An aroused press and radio should so inform the public. Under proper leadership an aroused people will give their answer in clear and unmistakable terms next November. Mr. Chairman, at long last the majority leadership has overreached itself.

Mr. GEARHART. Mr. Chairman, I yield the remainder of the time to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, we come now to the close of the debate on this bill, debate which is based upon these hearings, this voluminous book of hearings, held before our committee, starting in March 1947; hearings which are most complete with respect to both sides of this question of reciprocity agreements.

At the moment the House has before it a measure which will, for time to come, take from its present partisan administration this great question of foreign trade. Hereafter both great political parties will approve it as a permanent policy.

This bill presently considered represents the position of the Republican Party, a policy which, incidentally, is based upon the policy of reciprocity in foreign trade agreements, dating from away back in the twenties.

Anyone who says that the proposal made in the Gearhart bill cannot work is, in effect, saying that only one man in this country has the ability or power to effect proper foreign trade agreements, for all we do basically in this bill is to take back from the Executive the authority to, under any and all circumstances, make trade agreements. All we do is to say that under certain clearly defined circumstances, you, Mr. President, must come back to the Congress, and the Congress then determines whether to follow your plan or not.

The Tariff Commission, a highly respected organization and representative of the legislative branch of the Government, will have authority to set the limits within which the President may act. That, I believe, is a highly desirable condition, and does give protection to industry.

The only possible argument made today which might have substantial weight or raise a question in the minds of some of us, is the effect of this bill upon the

international picture, specifically, as to whether or not the European recovery program can properly operate under this bill. I can point to statements made before our committee in executive session by Secretary Marshall and by Mr. Clayton, that there is nothing whatever in the European Recovery Act, presently the law of this land, which says that the international trade agreements must be based upon this particular legislation. Specifically, the act says that the countries shall seek agreements to eliminate barriers. There is no specific requirement as to method. I urge complete approval of this bill. Vote for this legislation and you will assure the continuance of a true reciprocal trade policy.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. KNUTSON. Nothing that we do today will affect any existing treaties?

Mr. SIMPSON of Pennsylvania. Every present agreement will continue, regardless of what we do here today.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

All time has expired.

Mr. GEARHART. Mr. Chairman, I ask unanimous consent that all Members who have spoken may be permitted to revise and extend their remarks and that all Members who have not spoken but who desire to extend their remarks may have five legislative days within which to do so.

The CHAIRMAN. The latter part of the gentleman's request must be made in the House. The first part of the gentleman's request has already been granted.

The bill (H. R. 6556) is as follows:

Be it enacted, etc., That the period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1351), is hereby extended until the close of June 30, 1949.

SEC. 2. Before entering into negotiations concerning any proposed foreign-trade agreement authorized by section 350 of the Tariff Act of 1930, as amended, the President shall furnish the United States Tariff Commission (hereinafter in this act referred to as the "Commission") with a list of all articles imported into the United States to be considered for the possible granting of concessions in the agreement and shall request the Commission to make an investigation and to report to him the findings of the Commission as to—

(1) the extent to which duties and other import restrictions on the articles included in the list may be modified; or

(2) the extent to which additional import restrictions on the articles included in the list may be imposed; or

(3) the maximum periods (if any) for which obligations may be undertaken to continue existing customs or excise treatment of articles included in the list, in order to carry out the purpose of such section 350 without causing or threatening serious injury to domestic producers of like or similar articles or impairing the national defense. No such foreign trade agreement shall be entered into until the Commission has made its report to the President.

SEC. 3. (a) The Commission shall furnish facts, statistics, and other information at its command to officers and employees of the United States preparing for or partici-

pating in the negotiation of any foreign trade agreement; but neither the Commission nor any member, officer, or employee of the Commission shall participate in any manner (except to furnish information) in the making of decisions with respect to proposed terms of any foreign trade agreement or in the negotiation of any such agreement.

(b) In the course of any investigation pursuant to a request of the President under subsection (a) of this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

(c) Section 4 of the act entitled "An act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (U. S. C., 1946 ed., title 19, sec. 1354), is hereby amended by striking out "the United States Tariff Commission," by striking out "War, Navy," and by inserting "the National Military Establishment," after "Commerce,".

SEC. 4. (a) If the President enters into any foreign trade agreement with any foreign government or instrumentality thereof under section 350 of the Tariff Act of 1930, as amended, which requires, or pursuant to which it would be appropriate for, him to make a proclamation modifying any existing duty or other import restriction or imposing any additional import restriction to an extent greater than that reported to him by the Commission pursuant to section 2, or continuing existing customs or excise treatment of articles beyond the time specified by the Commission in its report to him pursuant to section 2—

(1) the President shall transmit such agreement (bearing an identifying number) to the Congress, together with a message which shall include his views with respect to the provisions of such agreement which require, or pursuant to which it would be appropriate for, him to make such a proclamation. The delivery to both Houses shall be on the same day and shall be made to each House while it is in session;

(2) the Commission shall deposit with the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a copy of its report to the President with respect to such foreign trade agreement;

(3) such foreign trade agreement shall not take effect before the expiration of the first period of sixty calendar days, of continuous session of the Congress, following the date on which the foreign trade agreement is transmitted to it; and such foreign trade agreement shall thereafter take effect only if, between the date of transmittal and the expiration of such 60-day period there has not been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the foreign trade agreement.

(b) For the purposes of subsection (a) (3)—

(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

(2) in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain; except that if a resolution (as defined in section 202) with respect to such foreign trade agreement has been passed by one House and sent to the other, no exclusion under this paragraph shall be made by reason of adjournments of the first House taken thereafter.

SEC. 5. (a) The second sentence of section 350 (a) (2) of the Tariff Act of 1930, as amended, is hereby amended to read as follows: "No proclamation shall be made (A) decreasing by more than 50 percent any rate of duty, however established, existing on

January 1, 1945 (even though temporarily suspended by act of Congress), (B) increasing by more than 50 percent any rate of duty, however established, existing on June 12, 1934 (even though temporarily suspended by act of Congress), or (C) transferring any article between the dutiable and free lists."

(b) The proviso of subsection (b) of such section is hereby amended to read as follows: "Provided, That the duties on such an article shall in no case (1) be decreased by more than 50 percent of the duties, however established, existing on January 1, 1945, (even though temporarily suspended by act of Congress), or (2) be increased by more than 50 percent of the duties, however established, existing on June 12, 1934 (even though temporarily suspended by act of Congress)".

(c) Subsection (d) of such section is hereby amended by striking out "increased or" and by striking out "increase or".

SEC. 6. Title II of the Reorganization Act of 1945 (Public Law 263, Seventy-ninth Congress) shall apply with respect to concurrent resolutions expressing disapproval of foreign trade agreements transmitted to the Congress by the President pursuant to section 4 of this act in the same manner and to the same extent as such title applies with respect to concurrent resolutions expressing disapproval of reorganization plans transmitted to the Congress by the President; but references in such title to "reorganization plan" or "plan" shall, for the purpose of this section, be considered to refer to "foreign trade agreement" or "agreement", respectively.

The CHAIRMAN. Permit the Chair to inquire if the Committee on Ways and Means has any amendments to offer to the bill.

Mr. KNUTSON. There are no amendments, Mr. Chairman.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLE of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6556) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, pursuant to House Resolution 608, he reported the same back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. DOUGHTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill.

Mr. DOUGHTON. In its present form, I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DOUGHTON moves to recommit the bill (H. R. 6556) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, to the Committee on Ways and Means, with instructions to report the same back to the House forthwith with the following amendment: Strike out all after the enacting clause and insert the following: "That the period during which the President is author-

ized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended, is hereby extended for a further period of 3 years from June 12, 1948."

Mr. KNUTSON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. COOPER. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 168, nays 211, answering "present" 1, not voting 51, as follows:

[Roll No. 81]

YEAS—168

Abbitt	Fallon	Manasco
Abernethy	Feighan	Mansfield
Albert	Fernandez	Marcantonio
Allen, La.	Flannagan	Meade, Md.
Andrews, Ala.	Fogarty	Morrow
Bakewell	Folger	Mills
Bardeen	Forand	Monroney
Bates, Ky.	Fulton	Morgan
Battle	Garmatz	Morris
Beckworth	Gary	Morton
Bland	Gathings	Multer
Blatnik	Gordon	Murdock
Bloom	Gore	Murray, Tenn.
Boggs, La.	Gorski	Norrell
Bonner	Grant, Ala.	Norton
Boykin	Gregory	O'Brien
Brooks	Hardy	O'Toole
Brown, Ga.	Harless, Ariz.	Pace
Bryson	Harris	Passman
Buchanan	Harrison	Patman
Buckley	Hart	Peden
Burleson	Havener	Pickett
Byrne, N. Y.	Hays	Poage
Camp	Hébert	Poulson
Cannon	Hedrick	Powell
Carroll	Hendricks	Preston
Celler	Heselson	Price, Fla.
Chadwick	Hobbs	Price, Ill.
Chapman	Huber	Priest
Chelf	Isacson	Rains
Clark	Jackson, Calif.	Rankin
Clason	Jackson, Wash.	Redden
Colmer	Jarman	Richards
Combs	Javits	Rooney
Cooley	Jenkins, Pa.	Sabath
Cooper	Jones, Ala.	Sadowski
Corbett	Judd	Sasser
Courtney	Karsten, Mo.	Sikes
Cox	Kee	Smathers
Cravens	Kelley	Smith, Va.
Crosser	Kennedy	Spence
Davis, Ga.	Keogh	Stanley
Davis, Tenn.	Kerr	Teague
Deane	Kirwan	Thomas, Tex.
Delaney	Klein	Thompson
Devitt	Lanham	Trimble
Dingell	Lesinski	Vinson
Domengeaux	Lodge	Walter
Donohue	Lucas	Welch
Dorn	Ludlow	Wheeler
Doughton	Lynch	Whitaker
Douglas	McCormack	Whitten
Durham	McDonough	Whittington
Eberhart	McMillan, S. C.	Winstead
Elliot	Madden	Wood
Evins	Mahon	Worley

NAYS—211

Allen, Calif.	Bolton	Cole, Kans.
Allen, Ill.	Bradley	Cole, Mo.
Andersen,	Bramblett	Cole, N. Y.
H. Carl	Brehm	Coudert
Andersen,	Brophy	Crawford
August H.	Brown, Ohio	Crow
Andrews, N. Y.	Buck	Cunningham
Angell	Buffett	Curtis
Arends	Burke	Dague
Arnold	Busbey	Davis, Wis.
Auchincloss	Butler	Dawson, Utah
Banta	Byrnes, Wis.	D'Ewart
Barrett	Canfield	Eaton
Bates, Mass.	Carson	Ellis
Beall	Case, N. J.	Ellsworth
Bender	Case, S. Dak.	Elsaesser
Bennett, Mich.	Chenoweth	Elston
Bennett, Mo.	Chiperfield	Engel, Mich.
Bishop	Church	Fellows
Blackney	Clevenger	
Boggs, Del.	Coffin	

Fenton	Kilburn	Rich
Fisher	Knutson	Riehlman
Fletcher	Kunkel	Rizley
Foot	Latham	Rockwell
Fuller	Lea	Rogers, Fla.
Gallagher	LeCompte	Rogers, Mass.
Gavin	LeFevre	Rohrbough
Gearhart	Lemke	Ross
Gillette	Lewis, Ky.	Russell
Gillie	Lewis, Ohio	Sadlak
Goff	Lichtenwalter	St. George
Goodwin	Love	Sanborn
Gossett	McConnell	Sarbacher
Graham	McCowan	Schwabe, Mo.
Granger	McCulloch	Schwabe, Okla.
Grant, Ind.	McDowell	Scott, Hardie
Griffiths	McGarvey	Scott,
Gross	McGregor	Hugh D., Jr.
Hagen	McMahon	Scrivner
Hale	McMillen, Ill.	Seely-Brown
Hall,	Mack	Shafer
Edwin Arthur	MacKinnon	Simpson, Ill.
Hall,	Macy	Simpson, Pa.
Leonard W.	Maloney	Smith, Kans.
Hand	Martin, Iowa	Smith, Ohio
Harness, Ind.	Mason	Smith, Wis.
Harvey	Mathews	Snyder
Herter	Meyer	Stefan
Hess	Michener	Stevenson
Hill	Miller, Conn.	Stockman
Hinshaw	Miller, Md.	Stratton
Hoeven	Miller, Nebr.	Sundstrom
Hoffman	Mitchell	Taber
Holmes	Muhlenberg	Talle
Hope	Nicholson	Taylor
Horan	Nixon	Tibbott
Hull	Nodar	Tollefson
Jenison	Norblad	Towe
Jenkins, Ohio	O'Konski	Twyman
Jennings	Patterson	Vail
Jensen	Philbin	Van Zandt
Johnson, Calif.	Phillips, Calif.	Vorys
Johnson, Ill.	Phillips, Tenn.	Vursell
Johnson, Ind.	Ploeser	Wadsworth
Jones, Wash.	Plumley	Weichel
Jonkman	Potts	Wigglesworth
Kean	Ramey	Wilson, Ind.
Kearney	Reed, Ill.	Wolcott
Kearns	Reed, N. Y.	Wolverton
Keating	Rees	Woodruff
Keefe	Reeves	Youngblood

ANSWERING "PRESENT"—1

Halleck

NOT VOTING—51

Anderson, Calif.	Kefauver	Pfeifer
Bell	Kersten, Wis.	Potter
Bulwinkle	Kilday	Rayburn
Clippinger	Regan	Riley
Cotton	Landis	Rivers
Dawson, Ill.	Lane	Robertson
Dolliver	Larcade	Scoblick
Engle, Calif.	Lusk	Sheppard
Gamble	Lyle	Short
Gwinn, N. Y.	Meade, Ky.	Smith, Maine
Gwynne, Iowa	Miller, Calif.	Somers
Hartley	Morrison	Stigler
Heffernan	Mundt	Thomas, N. J.
Hollifield	Murray, Wis.	West
Johnson, Okla.	O'Hara	Williams
Johnson, Tex.	Owens	Wilson, Tex.
Jones N. C.	Peterson	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Rayburn for, with Mr. Halleck against.
Mr. King for, with Mrs. Smith of Maine against.

Mr. Miller of California for, with Mr. Thomas of New Jersey against.

Mr. Engle of California for, with Mr. Gwynne of Iowa against.

Mr. Kefauver for, with Mr. Murray of Wisconsin against.

Mr. Hollifield for, with Mr. Dolliver against.

Mr. Pfeifer for, with Mr. Gamble against.

Mr. Heffernan for, with Mr. Gwinn of New York against.

Mr. Rivers for, with Mr. Anderson of California against.

Mr. Bell for, with Mr. Potter against.

Mr. Wilson of Texas for, with Mr. Short against.

Mr. Johnson of Texas for, with Mr. Owens against.

Mr. Williams for, with Mr. Cotton against.

Mr. Stigler for, with Mr. O'Hara against.
Mr. Somers for, with Mr. Scoblick against.
Mrs. Lusk for, with Mr. Meade of Kentucky against.

Additional general pairs:

Mr. Hartley with Mr. Kilday.

Mr. Mundt with Mr. Riley.

Mr. Landis with Mr. Morrison.

Mr. Kersten of Wisconsin with Mr. Lyle.

Mr. VURSELL changed his vote from "aye" to "no."

Mr. CANNON changed his vote from "no" to "aye."

Mr. HALLECK. Mr. Speaker, on this vote I have a pair with the gentleman from Texas, Mr. RAYBURN, who is unavoidably detained. If he were present, he would have voted "aye." I have voted "no." I therefore withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. GEARHART. Mr. Speaker, on that we demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 234, nays 149, answering "present" 1, not voting 47, as follows:

[Roll No. 82]

YEAS—234

Allen, Calif.	Dondero	Judd
Allen, Ill.	Donohue	Kean
Andersen,	Eaton	Kearney
H. Carl	Elliot	Kearns
Andersen,	Ellis	Keating
August H.	Ellsworth	Keefe
Andrews, N. Y.	Elsaesser	Kilburn
Angell	Elston	Knutson
Arends	Engel, Mich.	Kunkel
Arnold	Fellows	Larcade
Auchincloss	Fenton	Latham
Bakewell	Fisher	Lea
Banta	Fletcher	LeCompte
Barrett	Foot	LeFevre
Bates, Mass.	Fuller	Lewis, Ky.
Beall	Fulton	Lewis, Ohio
Bender	Gallagher	Lichtenwalter
Bennett, Mich.	Gathings	Lodge
Bennett, Mo.	Gavin	Love
Bishop	Gearhart	McConnell
Blackney	Gillette	McCowan
Bland	Gillie	McCulloch
Boggs, Del.	Goff	McDonough
Bolton	Goodwin	McDowell
Bradley	Gossett	McGarvey
Bramblett	Graham	McGregor
Brehm	Granger	McMahon
Brophy	Grant, Ind.	McMillen, Ill.
Brown, Ohio	Griffiths	Mack
Buck	Gross	MacKinnon
Buffett	Hagen	Macy
Burke	Hale	Maloney
Busbey	Hall,	Martin, Iowa
Butler	Edwin Arthur	Mason
Byrnes, Wis.	Hall,	Mathews
Canfield	Leonard W.	Meade, Md.
Carson	Hand	Morrow
Case, N. J.	Harness, Ind.	Meyer
Case, S. Dak.	Harvey	Michener
Chadwick	Hébert	Miller, Conn.
Chenoweth	Herter	Miller, Md.
Chiperfield	Heselson	Miller, Nebr.
Church	Hess	Mitchell
Clason	Hill	Morton
Clevenger	Hinshaw	Muhlenberg
Coffin	Hoeven	Nicholson
Cole, Kans.	Hoffman	Nixon
Cole, Mo.	Holmes	Nodar
Cole, N. Y.	Hope	Norblad
Corbett	Horan	Passman
Coudert	Jackson, Calif.	Patterson
Crawford	Javits	Philbin
Crow	Jenison	Phillips, Calif.
Cunningham	Jenkins, Ohio	Phillips, Tenn.
Curtis	Jenkins, Pa.	Ploeser
Dague	Jennings	Plumley
Davis, Wis.	Jensen	Potts
Dawson, Utah	Johnson, Calif.	Poulson
Devitt	Johnson, Ill.	Ramey
D'Ewart	Johnson, Ind.	Reed, Ill.
Dirksen	Jones, Wash.	Reed, N. Y.
Domengeaux	Jonkman	Rees

Reeves	Scrivner	Twyman
Rich	Seely-Brown	Vail
Riehlman	Shafer	Van Zandt
Rizley	Simpson, Ill.	Vorys
Rockwell	Simpson, Pa.	Vursell
Rogers, Mass.	Smith, Kans.	Wadsworth
Rohrbough	Smith, Wis.	Welch
Ross	Snyder	Whitten
Russell	Stefan	Wigglesworth
Sadlak	Stevenson	Wilson, Ind.
St. George	Stockman	Winstead
Sanborn	Stratton	Wolcott
Sarbacher	Sundstrom	Wolverton
Schwabe, Mo.	Taber	Woodruff
Schwabe, Okla.	Talle	Youngblood
Scoblick	Taylor	
Scott, Hardie	Tibbott	
Scott,	Tollefson	
Hugh D., Jr.	Towe	

NAYS—149

Abbitt	Flannagan	Morgan
Abernethy	Fogarty	Morris
Albert	Folger	Multer
Alien, La.	Forand	Murdock
Andrews, Ala.	Garmatz	Murray, Tenn.
Barden	Gary	Norrell
Bates, Ky.	Gordon	Norton
Battle	Gore	O'Brien
Beckworth	Gorski	O'Konski
Blatnik	Grant, Ala.	O'Toole
Bloom	Gregory	Pace
Boggs, La.	Hardy	Patman
Bonner	Harless, Ariz.	Peden
Boykin	Harris	Peterson
Brooks	Harrison	Pickett
Brown, Ga.	Hart	Poage
Bryson	Havenner	Powell
Buchanan	Hays	Preston
Buckley	Hedrick	Price, Fla.
Burleson	Hendricks	Price, Ill.
Byrne, N. Y.	Hobbs	Priest
Camp	Huber	Rains
Cannon	Hull	Rankin
Carroll	Isacson	Redden
Celler	Jackson, Wash.	Regan
Chapman	Jarman	Richards
Chelf	Jones, Ala.	Rogers, Fla.
Clark	Karsten, Mo.	Rooney
Colmer	Kee	Sabath
Combs	Kelley	Sadowski
Cooley	Kennedy	Sasser
Cooper	Keogh	Sikes
Courtney	Kerr	Smathers
Cox	Kirwan	Smith, Ohio
Cravens	Klein	Smith, Va.
Crosser	Lanham	Spence
Davis, Ga.	Lemke	Stanley
Davis, Tenn.	Lesinski	Teague
Deane	Lucas	Thomas, Tex.
Delaney	Ludlow	Thompson
Dingell	Lynch	Trimble
Dorn	McCormack	Vinson
Doughton	McMillan, S. C.	Walter
Douglas	Madden	Weichel
Durham	Mahon	Wheeler
Eberharter	Manasco	Whittaker
Evins	Mansfield	Whittington
Fallon	Marcantonio	Wood
Felghan	Mills	Worley
Fernandez	Monroney	

ANSWERING "PRESENT"—1

Halleck

NOT VOTING—47

Anderson, Calif.	Jones, N. C.	Pfeifer
Bell	Kefauver	Potter
Bulwinkle	Kersten, Wis.	Rayburn
Clippinger	Kilday	Riley
Cotton	King	Rivers
Dawson, Ill.	Landis	Robertson
Dolliver	Lane	Sheppard
Engle, Calif.	Lusk	Short
Gamble	Lyle	Smith, Maine
Gwinn, N. Y.	Meade, Ky.	Somers
Gwynne, Iowa	Miller, Calif.	Stigler
Hartley	Morrison	Thomas, N. J.
Heffernan	Mundt	West
Hollifield	Murray, Wis.	Williams
Johnson, Okla.	O'Hara	Wilson, Tex.
Johnson, Tex.	Owens	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Halleck for, with Mr. Rayburn against.

Mr. Lyle for, with Mr. Pfeifer against.

Mrs. Smith of Maine for, with Mr. Kefauver against.

Mr. Gwynne of Iowa for, with Mrs. Lusk against.

Mr. Wilson of Texas for, with Mr. Somers against.

Mr. Gwinn of New York for, with Mr. Heffernan against.

Mr. Cotton for, with Mr. Dawson of Illinois against.

Mr. Potter for, with Mr. Hollifield against.

Mr. Gamble for, with Mr. Rivers against.

Mr. Williams for, with Mr. Riley against.

Mr. Anderson of California for, with Mr. Stigler against.

Mr. Dolliver for, with Mr. King against.

Mr. Thomas of New Jersey for, with Mr. Jones of North Carolina against.

Mr. Murray of Wisconsin for, with Mr. Morrison against.

Mr. O'Hara for, with Mr. Sheppard against.

Mr. Short for, with Mr. Miller of California against.

Additional general pairs:

Mr. Hartley with Mr. Lane.

Mr. Clippinger with Mr. Kilday.

Mr. Mundt with Mr. West.

Mr. Meade of Kentucky with Mr. Engle of California.

Mr. Landis with Mr. Bell.

Mr. Owens with Mr. Johnson of Texas.

Mr. Kersten of Wisconsin with Mr. Bulwinkle.

Mr. Brooks changed his vote from "yea" to "nay."

Mr. HALLECK. Mr. Speaker, on this vote I have a pair with the gentleman from Texas, Mr. RAYBURN, who is unavoidably detained. I voted "yea." I understand if the gentleman from Texas had been present he would have voted "nay." I therefore withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their own remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. KNUTSON. Mr. Speaker, on Friday we are going to bring up the tax-revision bill. For the information of the House, I desire to ask unanimous consent to insert in the RECORD a synopsis of the measure, which contains 150 pages.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1949

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5883) making appropriations for the Department of Agriculture, exclusive of the Farm Credit Administration, for the fiscal year ending June 30, 1949, and for other purposes, with Senate amendments, disagree

to the Senate amendments, and agree to the conference.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. CANNON. Mr. Speaker, I offer a motion, which I send to the desk.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. CANNON moves to instruct the managers on the part of the House to agree in conference to Senate amendment No. 33—

Mr. DIRKSEN. Mr. Speaker, I withdraw my request.

The SPEAKER. The gentleman from Michigan—

Mr. CANNON. Mr. Speaker, I object to the withdrawal of the motion.

The SPEAKER. The gentleman's objection comes too late. The Chair had already recognized the gentleman from Michigan [Mr. WOODRUFF.]

EXTENSION OF REMARKS

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Michigan [Mr. BENNETT] may extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

LEAVE OF ABSENCE

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent that leave of absence be granted to the gentleman from Michigan [Mr. BENNETT] for 4 days, to attend the funeral of a relative.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

INTERNATIONAL AIR TRANSPORT SYSTEM.

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6407) to encourage the development of an international air-transportation system adapted to the needs of the foreign commerce of the United States, of the postal service, and of the national defense, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. WOLVERTON, HINSHAW, LEONARD W. HALL, LEA, and PRIEST.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1641) entitled "An act to establish the Women's Army Corps in the

Regular Army, to authorize the enlistment and appointment of women in the Regular Navy and Marine Corps and the Naval and Marine Corps Reserve, and for other purposes."

The message also announced that the Senate disagrees to the amendments of the House to the foregoing bill, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GURNEY, Mr. BALDWIN, Mr. SALTONSTALL, Mr. TYDINGS, and Mr. HILL to be the conferees on the part of the Senate.

WOMEN'S CORPS IN THE ARMED SERVICES

Mr. SHAFER filed the following conference report and statement on the bill (S. 1641) to establish the Women's Army Corps in the Regular Army, to authorize the enlistment and appointment of women in the Regular Navy and Marine Corps and the Naval and Marine Corps Reserve, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1641) to establish the Women's Army Corps in the Regular Army, to authorize the enlistment and appointment of women in the Regular Navy and Marine Corps and the Naval and Marine Corps Reserve, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 3, 4, 7, 13, 14, 21, 22, 23, 24, 25, and 26.

That the Senate recede from its disagreement to the amendments of the House numbered 6, 8, 9, 10, 15, 16, 17, 18, and 19, and agree to the same.

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "Integration Act of 1948"; and the House agree to the same.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken by the House amendment insert the following:

"ARMY

"SEC. 101. Effective the date of enactment of this title, there is established in the Regular Army a Women's Army Corps, which shall perform such services as may be prescribed by the Secretary of the Army."

"SEC. 102. The authorized commissioned, warrant, and enlisted strengths of the Women's Army Corps of the Regular Army shall from time to time, be determined by the Secretary of the Army, while the authorized commissioned, warrant, and enlisted strengths of the Regular Army, but shall not exceed 2 per centum of such authorized Regular Army strengths, respectively: *Provided*, That for a period of two years immediately following the date of this Act, the actual number of regular personnel in the Women's Army Corps of the Regular Army shall at no time exceed five hundred commissioned officers, seventy-five warrant officers and seven thousand, five hundred enlisted women, and such number of commissioned officers shall be appointed in increments of not to exceed 40 per centum, 20 per centum, 20 per centum, and 20 per centum at approximately equally spaced intervals of time during the said period of two years.

"SEC. 103. (a) From the officers permanently commissioned in the Women's Army Corps, Regular Army, the Secretary of the Army shall select to serve during his pleasure, but normally not to exceed four years, one officer to be Director of the Women's Army Corps who shall be adviser to the Secretary of the Army on Women's Army Corps matters, and who, without vacation of her permanent grade, shall have the temporary rank, pay, and allowances of a colonel while so serving; one officer to be Deputy Director thereof, who, if permanently commissioned in a lower grade, shall, without vacation of her permanent grade, have the temporary rank, pay, and allowances of a lieutenant colonel while so serving; and from among officers of the Women's Army Corps (including Women's Army Corps officers of the Army of the United States or any component thereof serving on extended active duty) the Secretary of the Army shall select to serve during his pleasure such number of officers as he may determine necessary to fill positions designated by him in the administration and training of the Women's Army Corps, who, if permanently commissioned in a lower grade, shall, without vacation of permanent grade, have the temporary rank, pay, and allowances of lieutenant colonel or major while so serving, as the Secretary of the Army may determine: *Provided*, That after July 1, 1952, such officers shall be selected from among commissioned officers in the permanent grades of lieutenant colonel or major, except the Director and Deputy Director who shall be selected from among officers in the permanent grade of lieutenant colonel: *And provided further*, That prior to July 1, 1952, the Secretary of the Army may extend that date one time until such later date as he may select for that purpose but such later date shall not be later than July 1, 1956.

"(b) Unless entitled to higher retired rank or pay under any provision of law, each such commissioned officer who shall have served for two and one-half years as Director or Deputy Director of such corps may upon retirement at the discretion of the President be retired with the rank held by her while so serving, and with retired pay at the rate prescribed by law computed on the basis of the base and longevity pay which she would receive if serving on active duty with such rank, and if thereafter recalled to active service shall be recalled in such rank.

"SEC. 104. (a) Commissioned officers of the Women's Army Corps of the Regular Army shall be appointed by the President, by and with the advice and consent of the Senate, from female citizens of the United States who have attained the age of twenty-one years and who possess such qualifications as may be prescribed by the Secretary of the Army.

"(b) Except as modified or otherwise provided by express provisions of law, original appointments of officers in the Women's Army Corps of the Regular Army shall be made from among qualified female persons in the manner now or hereafter prescribed by law for appointment of male persons in the Regular Army except as may be necessary to adapt said provisions to the Women's Army Corps of the Regular Army.

"(c) Officers shall be permanently commissioned in the Women's Army Corps of the Regular Army in grades from second lieutenant to lieutenant colonel, inclusive. The authorized number in permanent grade of lieutenant colonel shall be such as the Secretary of the Army shall from time to time determine but shall not exceed 10 per centum of the total authorized commissioned strength of such corps.

"(d) Title V of the Officer Personnel Act of 1947 (Public Law 381, Eightieth Congress, approved August 7, 1947) is amended as follows:

"(1) Subsection 502 (c) of said Act is amended by inserting in the first sentence thereof immediately after the words 'as chap-

lains,' the additional words 'in the Women's Army Corps,' and by inserting in the second sentence thereof immediately after the words 'the Medical Department,' the additional words 'the Women's Army Corps,'.

"(2) Subsection 502 (d) of said Act is amended by inserting immediately after the words 'of the chaplains of the Regular Army,' the additional words 'of the Women's Army Corps of the Regular Army,'.

"(3) Subsection 505 (b) of said Act is amended by inserting immediately after the first proviso contained in paragraph (1) thereof the following additional proviso: '*Provided further*, That in the Women's Army Corps promotion list there shall be no officers in the permanent grade of colonel and the authorized number in the permanent grade of lieutenant colonel shall not exceed 10 per centum of the total strength authorized for that promotion list but the percentages not authorized in these grades by virtue of this proviso shall be allotted by the Secretary of the Army to grades below lieutenant colonel in such promotion list:'.

"(4) Subsection 505 (c) of said Act is amended by inserting in paragraph (1) thereof immediately after the words 'Air Corps,' the additional words 'the Women's Army Corps,' and by inserting the following additional paragraph at the end of said subsection:

"(8) The Women's Army Corps promotion list shall contain the names of all promotion-list officers of the Women's Army Corps.'

"(5) Subsection 507 (a) of said Act is amended by changing the period at the end of paragraph (4) thereof to a colon and inserting after such colon the following proviso: '*Provided*, That any selection board convened to consider and recommend officers of the Women's Army Corps of the Regular Army for promotion to any grade may contain officers of the Women's Army Corps of the Regular Army in any grade above that of major either in the Women's Army Corps of the Regular Army or under temporary appointment in the Army of the United States.'

"(6) Subsection 509 (a) of said Act is amended by changing the period at the end of said subsection to a colon and inserting after such colon the following additional words: '*Provided*, That the provisions of this section shall not apply to promotion of officers of the Women's Army Corps of the Regular Army to the grade of lieutenant colonel.'

"(7) Said Act is amended by inserting between sections 509 and 510 the following new section:

"WOMEN'S ARMY CORPS PROMOTION-LIST OFFICERS—PROMOTION TO GRADE OF LIEUTENANT COLONEL

"SEC. 509A. Women's Army Corps promotion-list officers shall be promoted to and appointed in the permanent grade of lieutenant colonel in the Regular Army only when a vacancy exists in the number of lieutenant colonels authorized for that promotion list. Such officers shall be appointed in that grade only when selected and recommended for that grade by a selection board under regulations prescribed by the Secretary of the Army.'

"(8) Subsection 514 (b) of said Act is amended by renumbering paragraphs (2) and (3) thereof so that they will appear as paragraphs (3) and (4) thereof, respectively, and inserting immediately before such paragraphs the following new paragraph:

"(2) for any officer appointed in the Women's Army Corps of the Regular Army under the provisions of section 103 of title I of the Women's Armed Services Integration Act of 1948, the period of service credited to such officer at time of her appointment under the provisions of subsection (b) of such section, increased by the period of her active commissioned service in the Regular Army subsequent to such appointment;'

"(9) Subsection 514 (d) of said Act is amended by changing the period at the end

80TH CONGRESS
2D SESSION

H. R. 6556

IN THE SENATE OF THE UNITED STATES

MAY 27 (legislative day, MAY 20), 1948

Read twice and referred to the Committee on Finance

AN ACT

To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the period during which the President is authorized
4 to enter into foreign-trade agreements under section 350 of
5 the Tariff Act of 1930, as amended (U. S. C., 1946 edition,
6 title 19, sec. 1351), is hereby extended until the close of
7 June 30, 1949.

8 SEC. 2. Before entering into negotiations concerning
9 any proposed foreign-trade agreement authorized by section
10 350 of the Tariff Act of 1930, as amended, the President
11 shall furnish the United States Tariff Commission (herein-

1 reported to him by the Commission pursuant to section 2,
2 or continuing existing customs or excise treatment of articles
3 beyond the time specified by the Commission in its report to
4 him pursuant to section 2—

5 (1) the President shall transmit such agreement
6 (bearing an identifying number) to the Congress, to-
7 gether with a message which shall include his views with
8 respect to the provisions of such agreement which re-
9 quire, or pursuant to which it would be appropriate for,
10 him to make such a proclamation. The delivery to both
11 Houses shall be on the same day and shall be made to
12 each House while it is in session;

13 (2) the Commission shall deposit with the Com-
14 mittee on Ways and Means of the House of Representa-
15 tives, and the Committee on Finance of the Senate, a
16 copy of its report to the President with respect to such
17 foreign trade agreement;

18 (3) such foreign trade agreement shall not take
19 effect before the expiration of the first period of sixty
20 calendar days, of continuous session of the Congress,
21 following the date on which the foreign trade agreement
22 is transmitted to it; and such foreign trade agreement
23 shall thereafter take effect only if, between the date of

transmittal and the expiration of such sixty-day period there has not been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the foreign trade agreement.

(b) For the purposes of subsection (a) (3) —

(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

(2) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain; except that if a resolution (as defined in section 202) with respect to such foreign trade agreement has been passed by one House and sent to the other, no exclusion under this paragraph shall be made by reason of adjournments of the first House taken thereafter.

SEC. 5. (a) The second sentence of section 350 (a) (2) of the Tariff Act of 1930, as amended, is hereby amended to read as follows: "No proclamation shall be made (A) decreasing by more than 50 per centum any rate of duty, however established, existing on January 1, 1945 (even though temporarily suspended by Act of Congress),

80TH CONGRESS
2d Session

H. R. 6556

AN ACT

To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

May 27 (legislative day, May 20), 1948

Read twice and referred to the Committee on Finance

EXTENDING THE AUTHORITY OF THE PRESIDENT UNDER SECTION 350 OF THE TARIFF ACT OF 1930, AS AMENDED

JUNE 8 (legislative day, JUNE 1), 1948.—Ordered to be printed

Mr. MILLIKIN, from the Committee on Finance, submitted the
following

REPORT

[To accompany H. R. 6556]

The Committee on Finance, to whom was referred the bill (H. R. 6556) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Trade Agreements Extension Act of 1948".

SEC. 2. The period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1351), is hereby extended until the close of June 30, 1949.

SEC. 3. (a) Before entering into negotiations concerning any proposed foreign trade agreement under section 350 of the Tariff Act of 1930, as amended, the President shall furnish the United States Tariff Commission (hereinafter in this Act referred to as the "Commission") with a list of all articles imported into the United States with respect to which it is contemplated that such agreement may provide for modification of duties and other import restrictions, imposition of additional import restrictions, or continuance of existing customs or excise treatment. Upon receipt of such list the Commission shall make an investigation and report to the President the findings of the Commission with respect to each such article as to (1) the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of such section 350 without causing or threatening serious injury to domestic producers of like or similar articles; and (2) if increases in duties or additional import restrictions are required to avoid serious injury to domestic producers of like or similar articles the minimum increases in duties or additional import restrictions required. No such foreign trade agreement shall be entered into until the Commission has made its report to the President.

(b) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

(e) Section 4 of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (U. S. C., 1946 edition, title 19, sec. 1354), is hereby amended by striking out the matter following the semicolon and inserting in lieu thereof the following: "and before concluding such agreement the President shall request the Tariff Commission to make the investigation and report provided for by section 3 of the Trade Agreements Extension Act of 1948, and shall seek information and advice with respect to such agreement from the Departments of State, Agriculture, and Commerce, from the National Military Establishment, and from such other sources as he may deem appropriate."

SEC. 4. The Commission shall furnish facts, statistics, and other information at its command to officers and employees of the United States preparing for or participating in the negotiation of any foreign trade agreement; but neither the Commission nor any member, officer, or employee of the Commission shall participate in any manner (except to report findings as provided in sec. 3 of this Act and to furnish facts, statistics, and other information as required by this section) in the making of decisions with respect to the proposed terms of any foreign trade agreement or in the negotiation of any such agreement.

SEC. 5. (a) Within 30 days after any trade agreement under section 350 of the Tariff Act of 1930, as amended, has been entered into which, when effective, will (1) require or make appropriate any modification of duties or other import restrictions, the imposition of additional import restrictions, or the continuance of existing customs or excise treatment, which modification, imposition, or continuance will exceed the limit to which such modification, imposition, or continuance may be extended without causing or threatening serious injury to domestic producers of like or similar articles as found and reported by the Tariff Commission under section 3, or (2) fail to require or make appropriate the minimum increase in duty or additional import restrictions required to avoid such injury, the President shall transmit to Congress a copy of such agreement together with a message accurately identifying the article with respect to which such limits or minimum requirements are not complied with, and stating his reasons for the action taken with respect to such article. If either the Senate or the House of Representatives, or both, are not in session at the time of such transmission, such agreement and message shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

(b) Promptly after the President has transmitted such foreign-trade agreement to Congress the Commission shall deposit with the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a copy of its report to the President with respect to such agreement.

GENERAL STATEMENT

The bill extends to June 30, 1949, without diminution, the existing authority of the President under section 350 of the Tariff Act of 1930 to enter into foreign trade agreements. For future trade negotiations it establishes a procedure whereby the Tariff Commission will make findings of the maximum or minimum limits of duties or other import restrictions necessary if serious injury or threat of injury to domestic producers is to be avoided. The bill provides that if, in the resulting agreement, the President makes terms in disregard of these findings, he shall state his reasons for ignoring them. This is the only change of notable importance in the existing law proposed by the bill, and this change is procedural in character.

In reporting out this bill your committee reserves questions such as those posed by allegations that the authority conferred under Section 350 of the Tariff Act has been exceeded either by incorporation of general regulatory provisions in the multilateral trade agreement recently concluded at Geneva, or otherwise. Many of these regulatory provisions duplicate provisions in the Habana charter for an International Trade Organization and therefore consideration will be given these matters when the Habana charter is presented to the Congress. If the United States accepts membership in the Interna-

tional Trade Organization broad statutory changes would be needed to carry out effectively engagements that would follow from this country's acceptance of membership in that organization. This approaching decision respecting membership in the International Trade Organization is a strong reason for not extending the Trade Agreements Act of 1934 beyond June 30, 1949.

From progressively widening sources your committee hears complaints that domestic producers who require protection against injurious competition from imports do not receive adequate consideration in trade agreement negotiations. There is much feeling that fully justifiable needs for tariffs adequate to safeguard the well-being of our domestic economy are being subordinated to extraneous, and perhaps overvalued, diplomatic objectives. There is considerable evidence that advice to the President against injurious tariff reductions and concessions is diluted and obscured in a maze of executive committees not primarily concerned with safeguarding our domestic producers against injury.

The secrecy surrounding the conduct of our trade-agreements program gives occasion for some of the doubts expressed regarding its operations. Your committee, in the hearings on the pending bill, was refused the minutes of the interdepartmental committee largely responsible for the policies of the trade-agreements program. Furthermore, representatives of the State Department refused to give unequivocal assurances that our domestic producers are being protected. In fact, the special adviser to the Secretary of State sponsoring before the Congress an unconditional extension of the Trade Agreements Act for a period of 3 years has declared that calculated risks affecting domestic producers are taken, and that if injury occurs recourse must be had to the escape-clause procedure. This procedure is subject to many weaknesses. It requires lengthy investigations and the injury may be consummated and beyond repair by the time the procedure is made effective. The Geneva multilateral trade agreement provides that if any nation takes an escape, all of the other contracting parties (22 of them) may take compensating escapes on articles of their own choosing. This would make entirely unpredictable the magnitude of adverse repercussions of an escape, and thus would discourage its use.

The bill provides a procedure designed to lessen these doubts in the future by requiring that the President shall give focused attention to the injury test. This procedure for focused attention by the President to the injury test merely gives statutory expression to repeated Presidential assurances that in the conduct of the trade agreements program domestic producers would be protected from injury.

An early example of such assurances is in a letter from President Roosevelt to Congressman Buck dated June 15, 1934:

MY DEAR CONGRESSMAN BUCK: I am somewhat surprised and a little amused at the fears you say have been aroused in California because of the enactment and possible administration of the Reciprocal Trade Agreements Act. Certainly it is not the purpose of the administration to sacrifice the farmers and fruit growers of California in the pursuit of the will-o'-the-wisp of foreign markets, as published reports would make believe. I trust that no Californian will have any concern or fear that anything damaging to the fruit growers of that State or of any other State will result from this legislation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

In the hearings on the extension of the Reciprocal Trade Agreements in 1945, Mr. Clayton testified:

A rumor has freely circulated that certain American industries have been singled out as inefficient industries and that if the additional authority provided for in the bill is granted the State Department will use such authority to trade off these inefficient industries for other industries which can compete in the world market. Nothing could be further from the truth than this. The State Department has never construed the Trade Agreements Act as a license to remake the industrial or agricultural pattern of America. The record of 11 years of administration of the act should prove that. If, however, there is any doubt in anyone's mind regarding the use of the act to seriously injure American industry, this doubt should be completely dispelled by the letter of May 25 from President Truman to the Honorable Sam Rayburn. The short letter reads as follows:

"MY DEAR MR. SPEAKER: Supplementing our conversation yesterday, I wish to repeat that I regard the pending measure for the renewal and strengthening of the Trade Agreements Act as of the first order of importance for the success of my administration. I assume there is no doubt that the act will be renewed. The real question is whether the renewal is to be in such form as to make the act effective. For that purpose, the enlargement of authority provided by section 2 of the pending bill is essential. I have had drawn to my attention statements to the effect that this increased authority might be used in such a way as to endanger or trade out segments of the American industry, American agriculture, or American labor. No such action was taken under President Roosevelt and Cordell Hull, and no such action will take place under my Presidency.

"Sincerely yours,

"HARRY S. TRUMAN."

President Truman's message to Congress of March 1, 1948, on the subject of reciprocal trade agreements extension:

In addition, the interests of domestic producers are carefully protected in the negotiation of each trade agreement. I assured the Congress when the Reciprocal Trade Agreements Act was last extended in 1945 that domestic producers would be safeguarded in the process of expanding trade. That commitment has been kept. It will continue to be kept. The practice will be continued of holding extensive public hearings to obtain the view of all interested persons before negotiations are even begun. The practice will be continued whereby each agreement before its conclusion will be carefully studied with the Departments of State, Treasury, Agriculture, Commerce, and Labor, the National Military Establishment and the Tariff Commission.

Finally, each agreement will continue to include a clause which will permit withdrawal or modification of concessions if, as a result of unforeseen developments and of the concessions, imports increase to such an extent as to cause or threaten serious injury to domestic producers.

The procedure provided by the bill is designed to help the President to fulfill such assurances.

For the performance of the fact-finding function involved in the bill your committee believes the Tariff Commission has proved its ability. The Commission is bipartisan. It has an adequate staff of technicians well trained to perform the Commission's function under the bill. Fact finding as to the matters on which the bill directs the Commission to report to the President is the Commission's traditional role. Prior to the recent trade-agreement negotiations at Geneva, the Commission made comprehensive investigations of more than 3,300 articles considered as "concession items." On the basis of the Commission's experience, and with the store of information available to it, there appears no substantial doubt of the Commission's capacity to perform the duties reposed in it by the bill with respect to any future trade-agreement negotiations. In this connection it should be noted that the hearing made it clear that at this time there are no negotia-

tions under way for additional trade agreements, and that those which might be entered into in the indefinite future would comprise a relatively inconsequential part of the world's trade. Therefore the bill will not impose upon the Tariff Commission burdens which could not be handled expeditiously with its present personnel.

Under the bill when negotiations are in prospect the President will furnish the Tariff Commission with a list of all articles imported into the United States which may be considered in the negotiations. Thereafter the Tariff Commission will undertake an investigation, including hearings, and will report to the President its findings, with respect to each article, as to the limit to which a modification or binding of duties and other import restrictions may be carried without causing or threatening serious injury to domestic producers of a like or similar article. If increases in duties or additional restrictions are necessary to avoid serious injury, or the threat thereof, to domestic producers the Commission will report the minimum increase required. Obviously the peril points cannot be calculated with slide rule precision, but the Commission's practical wisdom in these matters will enable it to reach findings as to peril points which the President may accept with confidence as being the soundest of any available to him. The report of the Commission will be made directly to the President.

The President is not compelled to stay within the limits set by the Tariff Commission in its report to him. If, however, he enters into an agreement which disregards such limits, the bill directs that, within 30 days after the agreement is entered into, he shall transmit a message to Congress accurately identifying the articles in question and stating the reasons for his action or nonaction with respect to each such article. Promptly thereafter the Tariff Commission will deposit with the Committee on Ways and Means of the House and with the Committee on Finance of the Senate a copy of its report to the President with respect to the agreement. Under existing law the Tariff Commission has the responsibility of reporting to these committees, upon their request, all information at its command.

The Tariff Commission is restricted under the bill to a fact-finding function, and is prohibited from participating in any policy decisions of the executive branch, or in the negotiation of trade agreements. This is as it should be, for the Commission is a legislative agency and should not be a participant in the making of executive decisions. Accordingly, its officers and employees under the bill will no longer be eligible for membership on the interdepartmental committee which recommends to the President the policies to be followed in these negotiations. This does not, however, imply any interference with the function of that interdepartmental committee, or any other the President may establish. On the contrary, the bill directs the President to seek advice from the Departments of State, Commerce, Agriculture, and the National Military Establishment, and from such other sources of information and advice as he deems appropriate. With respect to export considerations, for example, the President will be able to obtain advice from the Department of Commerce as heretofore.

A section-by-section analysis of the bill follows.

ANALYSIS OF THE BILL AS REPORTED

The first section gives the bill a short title.

Section 2 extends until June 30, 1949, the President's authority to enter into foreign trade agreements under section 350 of the Tariff Act of 1930. The present authority expires June 12, 1948.

Subsection (a) of section 3 provides that before entering into any such agreement the President shall obtain the findings of the Tariff Commission as to the action which may be taken with respect to any article to be imported without causing or threatening serious injury to domestic producers of like or similar articles, or in the case of increases or additional import restrictions, the minimum required to avoid such injury. This is a modification of section 2 of the bill as passed by the House, designed particularly to make clear that if increases in duties or additional import restrictions are required with respect to any article to avoid serious injury to domestic producers of like or similar articles, the Tariff Commission is to make findings as to the minimum increases in duties or additional import restrictions required.

Subsection (b) of section 3 requires the Commission to hold hearings before reporting to the President. It will be noted that the hearings of the Commission will be directed to the matters over which the Commission has jurisdiction, namely, investigations with a view to making findings of fact with respect to injury to domestic producers, and that the President under section 4 of the Trade Agreements Act of 1934, as amended, may hold any hearings he deems advisable with respect to the matters to be incorporated in any trade agreement.

Subsection (c) of section 3 amends section 4 of the act of June 12, 1934, to eliminate the Tariff Commission as one of the agencies advising the President. Under the philosophy of this bill the Commission, as noted above, does not render advice as such even to the President with respect to the terms of any trade agreement, but is limited to furnishing information. This subsection also makes the technical amendment of substituting the National Military Establishment for the Departments of War and Navy in such section 4.

Section 4 requires the Commission to furnish United States officials negotiating a trade agreement any facts which it has available, but prohibits the Commission from participating in decisions with respect to the terms of any such agreement except to the extent of furnishing information under this section and the making of reports pursuant to section 3.

Section 5 requires the President to report to Congress if he enters into an agreement exceeding the limits found by the Tariff Commission, transmitting a copy of the agreement and giving his reasons for exceeding such limits. The President's message must accurately identify the articles with respect to which the limits are exceeded. The Commission is then required to deposit a copy of its report with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

AMENDMENTS TO HOUSE BILL

In addition to matters touched upon in the above analysis the committee amendment makes two additional changes in the House bill.

(1) The provision delaying the taking effect of a trade agreement which has gone beyond the peril points found by the Tariff Commission, and permitting Congress by concurrent resolution to prevent the agreement from going into effect, has been omitted. This change involved the striking out of section 4 (a) (3), section 4 (b), and all of section 6 of the House bill.

(2) There has also been stricken from the House bill section 5, the effect of which was to amend existing law so as to permit the 50-percent increase of duties allowable under the statute to be computed on the basis of the duties existing on June 12, 1934, the date of enactment of the Trade Agreements Act, instead of January 1, 1945, the date fixed by existing law.



Calendar No. 1607

80TH CONGRESS
2D SESSION

H. R. 6556

[Report No. 1558]

IN THE SENATE OF THE UNITED STATES

MAY 27 (legislative day, MAY 20), 1948

Read twice and referred to the Committee on Finance

JUNE 8 (legislative day, JUNE 1), 1948

Reported by Mr. MILLIKIN, with an amendment

[Strike out all after the enacting clause and insert the part printed in italics]

AN ACT

To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the period during which the President is authorized
4 to enter into foreign-trade agreements under section 350 of
5 the Tariff Act of 1930, as amended (U. S. C., 1946 edition,
6 title 19, sec. 1351), is hereby extended until the close of
7 June 30, 1949.

8 SEC. 2. Before entering into negotiations concerning
9 any proposed foreign-trade agreement authorized by section
10 350 of the Tariff Act of 1930, as amended, the President
11 shall furnish the United States Tariff Commission (herein-

1 after in this Act referred to as the "Commission") with a
2 list of all articles imported into the United States to be con-
3 sidered for the possible granting of concessions in the agree-
4 ment and shall request the Commission to make an investi-
5 gation and to report to him the findings of the Commission
6 as to—

7 ~~(1)~~ the extent to which duties and other import
8 restrictions on the articles included in the list may be
9 modified; or

10 ~~(2)~~ the extent to which additional import restric-
11 tions on the articles included in the list may be im-
12 posed; or

13 ~~(3)~~ the maximum periods ~~(if any)~~ for which
14 obligations may be undertaken to continue existing
15 customs or excise treatment of articles included in the
16 list,

17 in order to carry out the purpose of such section 350 without
18 causing or threatening serious injury to domestic producers
19 of like or similar articles or impairing the national defense.
20 No such foreign trade agreement shall be entered into until
21 the Commission has made its report to the President.

22 SEC. 3. ~~(a)~~ The Commission shall furnish facts, statis-
23 tics, and other information at its command to officers and
24 employees of the United States preparing for or participating
25 in the negotiation of any foreign trade agreement; but

1 neither the Commission nor any member, officer, or employee
2 of the Commission shall participate in any manner (except
3 to furnish information) in the making of decisions with
4 respect to proposed terms of any foreign trade agreement
5 or in the negotiation of any such agreement.

6 (b) In the course of any investigation pursuant to a
7 request of the President under subsection (a) of this section
8 the Commission shall hold hearings and give reasonable
9 public notice thereof, and shall afford reasonable opportunity
10 for parties interested to be present, to produce evidence, and
11 to be heard at such hearings.

12 (c) Section 4 of the Act entitled "An Act to amend
13 the Tariff Act of 1930", approved June 12, 1934, as
14 amended (U. S. C., 1946 edition, title 19, sec. 1354), is
15 hereby amended by striking out "the United States Tariff
16 Commission," by striking out "War, Navy," and by in-
17 serting "the National Military Establishment," after "com-
18 merce,".

19 SEC. 4. (a) If the President enters into any foreign
20 trade agreement with any foreign government or instrumen-
21 tality thereof under section 350 of the Tariff Act of 1930, as
22 amended, which requires, or pursuant to which it would
23 be appropriate for, him to make a proclamation modifying
24 any existing duty or other import restriction or imposing any
25 additional import restriction to an extent greater than that

1 reported to him by the Commission pursuant to section 2,
2 or continuing existing customs or excise treatment of articles
3 beyond the time specified by the Commission in its report to
4 him pursuant to section 2—

5 ~~(1)~~ the President shall transmit such agreement
6 ~~(bearing an identifying number)~~ to the Congress, to-
7 gether with a message which shall include his views with
8 respect to the provisions of such agreement which re-
9 quire, or pursuant to which it would be appropriate for,
10 him to make such a proclamation. The delivery to both
11 Houses shall be on the same day and shall be made to
12 each House while it is in session;

13 ~~(2)~~ the Commission shall deposit with the Com-
14 mittee on Ways and Means of the House of Representa-
15 tives, and the Committee on Finance of the Senate, a
16 copy of its report to the President with respect to such
17 foreign trade agreement;

18 ~~(3)~~ such foreign trade agreement shall not take
19 effect before the expiration of the first period of sixty
20 calendar days, of continuous session of the Congress,
21 following the date on which the foreign trade agreement
22 is transmitted to it; and such foreign trade agreement
23 shall thereafter take effect only if, between the date of
24 transmittal and the expiration of such sixty-day period
25 there has not been passed by the two Houses a concur-

rent resolution stating in substance that the Congress does not favor the foreign trade agreement.

(b) For the purposes of subsection (a) (3)—

(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

(2) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain; except that if a resolution (as defined in section 202) with respect to such foreign trade agreement has been passed by one House and sent to the other, no exclusion under this paragraph shall be made by reason of adjournments of the first House taken thereafter.

SEC. 5. (a) The second sentence of section 350 (a) (2) of the Tariff Act of 1930, as amended, is hereby amended to read as follows: "No proclamation shall be made (A) decreasing by more than 50 per centum any rate of duty, however established, existing on January 1, 1945 (even though temporarily suspended by Act of Congress); (B) increasing by more than 50 per centum any rate of duty, however established, existing on June 12, 1934 (even

1 though temporarily suspended by Act of Congress), or (C)
 2 transferring any article between the dutiable and free lists.”

3 ~~(b)~~ The proviso of subsection ~~(b)~~ of such section is
 4 hereby amended to read as follows: “*Provided*, That the
 5 duties on such an article shall in no case (1) be decreased
 6 by more than 50 per centum of the duties, however estab-
 7 lished, existing on January 1, 1945 (even though tem-
 8 porarily suspended by Act of Congress), or (2) be increased
 9 by more than 50 per centum of the duties, however estab-
 10 lished, existing on June 12, 1934 (even though temporarily
 11 suspended by Act of Congress)”.

12 ~~(c)~~ Subsection ~~(d)~~ of such section is hereby amended
 13 by striking out “increased or” and by striking out “increase
 14 or”.

15 SEC. 6. Title II of the Reorganization Act of 1945
 16 ~~(Public Law 263, Seventy-ninth Congress)~~ shall apply with
 17 respect to concurrent resolutions expressing disapproval of
 18 foreign trade agreements transmitted to the Congress by the
 19 President pursuant to section 4 of this Act in the same man-
 20 ner and to the same extent as such title applies with respect
 21 to concurrent resolutions expressing disapproval of reorgan-
 22 ization plans transmitted to the Congress by the President;
 23 but references in such title to “reorganization plan” or “plan”
 24 shall, for the purpose of this section, be considered to refer
 25 to “foreign trade agreement” or “agreement”, respectively.

1 *That this Act may be cited as the "Trade Agreements Exten-*
2 *sion Act of 1948".*

3 *SEC. 2. The period during which the President is au-*
4 *thorized to enter into foreign trade agreements under section*
5 *350 of the Tariff Act of 1930, as amended (U. S. C., 1946*
6 *edition, title 19, sec. 1351), is hereby extended until the*
7 *close of June 30, 1949.*

8 *SEC. 3. (a) Before entering into negotiations concerning*
9 *any proposed foreign trade agreement under section 350 of*
10 *the Tariff Act of 1930, as amended, the President shall*
11 *furnish the United States Tariff Commission (hereinafter in*
12 *this Act referred to as the "Commission") with a list of*
13 *all articles imported into the United States with respect to*
14 *which it is contemplated that such agreement may provide*
15 *for modification of duties and other import restrictions,*
16 *imposition of additional import restrictions, or continuance*
17 *of existing customs or excise treatment. Upon receipt of such*
18 *list the Commission shall make an investigation and report*
19 *to the President the findings of the Commission with respect*
20 *to each such article as to (1) the limit to which such modi-*
21 *fication, imposition, or continuance may be extended in order*
22 *to carry out the purpose of such section 350 without causing*
23 *or threatening serious injury to domestic producers of like*
24 *or similar articles; and (2) if increases in duties or addi-*
25 *tional import restrictions are required to avoid serious injury*

1 to domestic producers of like or similar articles the minimum
2 increases in duties or additional import restrictions required.
3 No such foreign trade agreement shall be entered into until
4 the Commission has made its report to the President.

5 (b) In the course of any investigation pursuant to this
6 section the Commission shall hold hearings and give reason-
7 able public notice thereof, and shall afford reasonable oppor-
8 tunity for parties interested to be present, to produce evidence,
9 and to be heard at such hearings.

10 (c) Section 4 of the Act entitled "An Act to amend the
11 Tariff Act of 1930", approved June 12, 1934, as amended
12 (U. S. C., 1946 edition, title 19, sec. 1354), is hereby
13 amended by striking out the matter following the semicolon
14 and inserting in lieu thereof the following: "and before con-
15 cluding such agreement the President shall request the Tariff
16 Commission to make the investigation and report provided for
17 by section 3 of the Trade Agreements Extension Act of 1948,
18 and shall seek information and advice with respect to such
19 agreement from the Departments of State, Agriculture, and
20 Commerce, from the National Military Establishment, and
21 from such other sources as he may deem appropriate."

22 SEC. 4. The Commission shall furnish facts, statistics,
23 and other information at its command to officers and em-
24 ployees of the United States preparing for or participating in
25 the negotiation of any foreign trade agreement; but neither

1 the Commission nor any member, officer, or employee of the
2 Commission shall participate in any manner (except to report
3 findings, as provided in section 3 of this Act and to furnish
4 facts, statistics, and other information as required by this
5 section) in the making of decisions with respect to the proposed
6 terms of any foreign trade agreement or in the negotiation
7 of any such agreement.

8 SEC. 5. (a) Within thirty days after any trade agree-
9 ment under section 350 of the Tariff Act of 1930, as
10 amended, has been entered into which, when effective, will
11 (1) require or make appropriate any modification of duties
12 or other import restrictions, the imposition of additional
13 import restrictions, or the continuance of existing customs
14 or excise treatment, which modification, imposition, or con-
15 tinuance will exceed the limit to which such modification,
16 imposition, or continuance may be extended without causing
17 or threatening serious injury to domestic producers of like
18 or similar articles as found and reported by the Tariff Com-
19 mission under section 3, or (2) fail to require or make
20 appropriate the minimum increase in duty or additional
21 import restrictions required to avoid such injury, the Presi-
22 dent shall transmit to Congress a copy of such agreement
23 together with a message accurately identifying the article
24 with respect to which such limits or minimum requirements
25 are not complied with, and stating his reasons for the action

1 taken with respect to such article. If either the Senate or
2 the House of Representatives, or both, are not in session
3 at the time of such transmission, such agreement and mes-
4 sage shall be filed with the Secretary of the Senate or the
5 Clerk of the House of Representatives, or both, as the case
6 may be.

7 (b) Promptly after the President has transmitted such
8 foreign trade agreement to Congress the Commission shall
9 deposit with the Committee on Ways and Means of the
10 House of Representatives, and the Committee on Finance
11 of the Senate, a copy of its report to the President with
12 respect to such agreement.

Passed the House of Representatives May 26, 1948.

Attest:

JOHN ANDREWS,

Clerk.

80TH CONGRESS
2D Session

H. R. 6556

[Report No. 1558]

AN ACT

To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MAY 27 (legislative day, MAY 20), 1948

Read twice and referred to the Committee on Finance

JUNE 8 (legislative day, JUNE 1), 1948

Reported with an amendment

Senate amendments numbered (p. 8119),

44. INTERIOR DEPARTMENT APPROPRIATION BILL, 1949. The Appropriations Committee reported with amendments this bill, H.R. 6705 (S.Rept. 1609) (p. 8101).
45. GOVERNMENT CORPORATIONS APPROPRIATION BILL, 1949. The Appropriations Committee reported with amendments this bill, H.R. 6481 (S.Rept. 1616) (p. 8102).
46. TRANSPORTATION. Received the President's veto message on S. 110, to amend the Interstate Commerce Act so as to authorize certain rate agreements between carriers (p. 8128).
47. FOOT-AND-MOUTH DISEASE. Agreed, with amendments, to S.Res. 223, to authorize the Agriculture and Forestry Committee to make a full and complete investigation of all problems related to foot-and-mouth disease and its incidence in neighboring countries, and authorizes the expenditure of \$6,000 for such investigation (p. 8131).
48. SUPPLEMENTAL TREASURY-POST OFFICE APPROPRIATION BILL, 1949. Passed as reported this bill, H.R. 6758 (pp. 8128-9); which had been previously reported (S.Rept. 1608) (p. 8128). Senate conferees were appointed (p. 8129).
49. ECONOMIC REPORT. Passed with amendment S.J.Res. 226, authorizing the Joint Economic Report Committee to issue a monthly publication entitled, "Economic Indicators," for limited distribution (pp. 8131, 8152).
50. TIN. Passed without amendment S. 2830, to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry (pp. 8106, 8126).
51. FOREIGN TRADE. Agreed to vote on H.R. 6556, to extend the Trade Agreements Act, at 5:00 p.m., Mon., June 14 (pp. 8124-5).
52. INDIAN RELIEF. The Interior and Insular Affairs Committee reported with amendments S. 2686, to establish a Navajo-Hopi Indian Administration, to provide for the rehabilitation of the Navajo and Hopi Indian Tribes (S.Rept. 1610) (p. 8101).
53. MINERALS. Passed without amendment H.R. 2867, to permit, subject to certain conditions, mining locations under U.S. mining laws within that portion of the Harney National Forest designated as a game sanctuary (p. 8125). This bill will now be sent to the President.
54. PURCHASING. Passed without amendment H.R. 4659, to ratify and confirm amendments to certain contracts for the furnishing of petroleum products to the U.S. (p. 8111).
55. BUILDINGS. Passed as reported S. 1955, to provide for the acquisition of sites and the preparation of plans for Federal public buildings outside D.C. by the Federal Works Administrator (pp. 8122-3).
56. HEALTH. Agreed to S.Res. 249, to provide for \$10,000 for the Labor and Public Welfare Committee to continue its study of the health problems of the Nation (p. 8131).
57. LANDS. Agreed to S.Res. 244, increasing by \$25,000 the funds for investigations by the Interior and Insular Affairs Committee into matters under its jurisdiction (p. 8130).

58. STRATEGIC MATERIALS. Sen. Malone, Nev., spoke in favor of incentive payments for the mining of certain minerals to be stockpiled (pp. 8154-7).
59. RECESSED until Mon., June 14 (p. 8160).

ITEMS IN APPENDIX

60. PRICE SUPPORTS. Extension of remarks of Reps. D'Ewart (Mont.) and Jensen (Iowa) favoring the extension of the agricultural price-support program (pp. A3995, A4001).
Speech in the House by Rep. Sabath, Ill., opposing continuation of agricultural price supports and discussing with other members the need for such supports (pp. A4005-8).
61. FOREIGN TRADE. Sen. Barkley, Ky., inserted an editorial, "It Is Up to the Senate to Enact a Sound Trade Bill" (pp. A3984-5).
62. HEALTH. Sen. Murray, Mont., inserted Gov. Warren's (Calif.) article, "My Plan for Health Insurance" (pp. A3997-9).
63. FOREIGN AID. Extension of remarks of Rep. Hoffman, Mich., urging consideration of needs in the U.S. in connection with ERP (p. A4010).
64. HOUSING. Various insertions on the housing bills (pp. A3985, A3986, A3986-7, A3988-90).

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COMMITTEE HEARINGS ANNOUNCEMENTS for June 14: S. Public Works, disaster relief (Will to testify); S. Labor and Public Welfare, secondary market for veterans' home loans; S. Appropriations, independent offices supplemental, Navy Department (ex.), and Military Establishments (ex.) appropriations; H. Expenditures in the Executive Departments, Reclamation Bureau propaganda activities; H. Rules, draft bill.

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For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 113 Adm.

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the construction of such public buildings may be undertaken without adversely affecting the public welfare and economic activities of the Nation.

SEC. 2. (a) The Commissioner of Public Buildings, under the supervision of the Federal Works Administrator, is authorized to acquire, by purchase, condemnation, donation, exchange, or otherwise, lands or interest in lands as sites or additions to sites for Federal public building projects previously authorized and for such new projects as may be selected in the manner designated in this section, and to cause to be prepared plans, drawings, and specifications for such projects. When buildings to be used in whole or in part for post-office purposes are involved, the Federal Works Administrator, under regulations to be prescribed by him, shall act jointly with the Postmaster General in the selection of towns or cities in which buildings are to be constructed and the selection of sites therein, and in the preparation of plans, drawings, and specifications for such projects. The Federal Works Administrator and the Postmaster General (where his Department is involved) shall submit to the Congress a comprehensive revised report of all eligible projects and their limits of cost when in excess of \$200,000, without regard to the time in which they may be undertaken, which shall be printed as a public document. When the estimated cost of a project does not exceed \$200,000, the limit of cost shall be determined by the Commissioner of Public Buildings. Selection of projects for the purposes of this act shall be made by the Federal Works Administrator and the Postmaster General from the revised report and they may also select such other projects not included in the revised report which in their judgment are economically sound and advantageous to the public service: *Provided*, That in making such selections they shall endeavor to distribute the selected projects equitably but not necessarily uniformly throughout the country with due regard to the comparative urgency of projects in various sections of the country: *Provided further*, That the limits of cost specified in such revised report shall govern for the purpose of establishing the designs and plans for the project but such limits of cost may be adjusted upon the basis of price levels prevailing on the date of the award of the first major construction contract. The total estimated cost of the sites and plans for the projects to be selected under the provisions of this act shall not exceed in the aggregate \$32,000,000, which amount is hereby authorized to be appropriated.

(b) The Federal Works Administrator and the Postmaster General (where his Department is involved) shall from time to time, but not less frequently than every 2 years, submit to the Congress revised reports showing the location and approximate accommodations of all public building projects throughout the United States and its possessions which they may deem necessary to be constructed for efficient public service, such reports to indicate the limits of cost for each building or project and to serve as a backlog of public improvements from which new building projects may be selected within the limits of such legislative authority as the Congress may enact from time to time to serve the public needs.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the acquisition of sites and the preparation of plans for Federal public buildings outside the District of Columbia, and for other purposes."

INTER-AMERICAN BAR ASSOCIATION

The concurrent resolution (S. Con. Res. 56) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States welcomes the Inter-American Bar Association to the United States, and wishes the association unparalleled success in its sixth conference; and be it further

Resolved, That a copy of this resolution be transmitted to the Secretary General of the Inter-American Bar Association.

The preamble was agreed to.

EXTENSION OF ADMIRALTY JURISDICTION

The bill (H. R. 238) for the extension of admiralty jurisdiction was considered, ordered to a third reading, read the third time, and passed.

CHANGE OF NAME OF SITE OF FOSTER CREEK DAM, WASH., TO CHIEF JOSEPH DAM

The joint resolution (S. J. Res. 229) to change the name of the site of Foster Creek Dam on the Columbia River in Washington State to Chief Joseph Dam was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the dam site known as Foster Creek Dam on the Columbia River shall hereafter be known as the Chief Joseph Dam, and any law, regulation, document, or record of the United States in which such dam is designated or referred to under the name of Foster Creek Dam shall be held to refer to such dam under and by the name Chief Joseph Dam.

CONSOLIDATION OF LIGHTHOUSE SERVICE WITH THE COAST GUARD

The bill (H. R. 239) to further perfect the consolidation of the Lighthouse Service with the Coast Guard was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF PARCEL OF LAND TO UNIVERSITY OF MINNESOTA

The bill (S. 2676) to authorize the Secretary of the Interior to convey a certain parcel of land in St. Louis County, Minn., to the University of Minnesota was announced as next in order.

Mr. MORSE. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. BUTLER subsequently said: Mr. President, when Calendar 1655, Senate bill 2676, was called I believe the Senator from Oregon raised objection.

The PRESIDENT pro tempore. The Senator is quite correct.

Mr. BUTLER. I wonder if the Senator would withdraw his objection for a moment, until I can make a very brief explanation of the bill.

Mr. MORSE. I will withdraw the objection to permit an explanation.

The PRESIDENT pro tempore. The Senator from Nebraska is recognized for a maximum of 5 minutes.

Mr. BUTLER. Mr. President, I do not think it should take me over 1 minute to convince the Senator from Oregon that he should withdraw his objection permanently.

The bill simply authorizes the Interior Department to convey to the University of Minnesota, a small tract of land given to the State of Minnesota by the city of Duluth, comprising a total of about 5 acres. One-third of an acre, of the entire 5 acres, was originally covered by a financial transaction. The remainder was donated by the city of Duluth. The State now desperately needs this piece of land for the University of Minnesota. There is no money involved—there are many precedents—it has the approval of the Department of the Interior, and it has the very earnest endorsement of the Senators from Minnesota.

Mr. BALL. Mr. President, I should like to add briefly to the statement the Senator from Nebraska has made. As he said, most of the property was originally donated to the Federal Government by the city of Duluth. It has been closed for about a year, and the structures on the 5 acres are rapidly deteriorating. The Department of the Interior has no use for it, whereas the junior college of the University of Minnesota needs it immediately for the housing of some 30 additional members of the faculty who are being added next year. As soon as permanent housing can be built, it is planned to use the ground for laboratory space. I strongly urge the Senator from Oregon to withdraw his objection to the bill.

Mr. MORSE. Mr. President, it is not pleasing to me, as an alumnus of the University of Minnesota, to object to the bill, but I shall have to object to it unless the sponsors thereof are willing to accept the following amendment, to be inserted at an appropriate place in the bill: "*Provided*, That the State of Minnesota shall pay 50 percent of the appraised value of the property as determined by the United States Department of the Interior."

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MORSE. Mr. President, I offer the amendment which I previously mentioned.

The PRESIDENT pro tempore. The Senator from Oregon offers the amendment which he has stated.

Mr. BALL. Mr. President, I accept the amendment. I do not know whether the university has any funds available with which to buy the land; I do not know what the appraised value would be, but we shall endeavor to work it out.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by quitclaim deed, without consideration, to the Regents of the University of Minnesota, a body corporate, organized and existing by virtue of the constitution and laws of the State of Minnesota, all right, title, and interest of the United States in and to those parcels of real property located in the county of St. Louis, Minn., which were for-

merly operated as a Federal fish-cultural station, and more particularly described as follows:

All that part of sections 5 and 8 in township 50 north, range 13 west, fourth principal meridian, which is bounded as follows: Beginning at a point in the westerly shore of Lester River, three hundred feet southeasterly from the center line of the Duluth, Missabe & Iron Range Railway track measured on a line at right angles to the line of said railroad track, thence southwesterly parallel with said railroad track six hundred and fifty-six feet, thence southeasterly at right angles with the line of said railroad track to the shore of Lake Superior, thence northeasterly along the shore line of Lake Superior to the mouth of the Lester River, thence along the westerly shore of Lester River to the place of beginning, containing six acres of land, more or less, together therewith all of lots 9 and 10 in block 7 in Lester Park first subdivision, according to the recorded plat thereof, but subject to the right-of-way for highway purposes as conveyed by deed dated February 7, 1945, recorded on March 13, 1945, at 3:30 o'clock postmeridian, in book 765, page 47, in the offices of the register of deeds in and for Saint Louis County, Minnesota: *Provided*, That the State of Minnesota shall pay 50 percent of the appraised value of the property as determined by the United States Department of the Interior.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT—UNANIMOUS CONSENT AGREEMENT

Mr. WHERRY. Mr. President, I should like to have 5 minutes, under the rule, to propose a unanimous-consent request before the next bill on the calendar is called.

There are three very important appropriation bills which require the attendance of the entire membership of the Appropriations Committee in the committee today. They are the Department of Interior appropriation bill, the Government Corporations appropriation bill, and the Economic Cooperative—the Economic Cooperation Administration appropriation bill. Of course the membership of the committee cannot attend the meeting for that purpose in the committee and also be in the Senate Chamber advantageously this afternoon.

I have been advised by the distinguished chairman of the committee handling the bill for the extension of the Reciprocal Trade Agreements Act that it will be impossible to obtain a vote on that bill today. Because of all the work that has to be done in the Appropriations Committee on the various bills now before the committee, in order to make it possible to report the bills and have them ready for consideration by the Senate, I am now proposing—and I state this carefully, so that all Members of the Senate may be informed; and some Senators are very anxious about the matter, I may say—that the Senate enter into a unanimous-consent agreement that a final vote be had on the unfinished business, which is the Reciprocal Trade Agreements Extension Act, both on all amendments thereto which are germane to that proposed legislation, and on the bill itself, at an hour certain on Monday.

I say now for the benefit of the Senate that it is our intention to have the Senate convene at 11 o'clock on Monday.

The distinguished Chairman of the Finance Committee has suggested the

hour of 4 o'clock on Monday. I have conferred with the distinguished minority leader, and that suggestion is acceptable to him.

If that is agreeable to all Members of the Senate, then I would suggest that the time be divided equally between the proponents and the opponents of the measure, and that a vote be had at that time.

Mr. GEORGE and Mr. ROBERTSON of Virginia addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Nebraska yield; and if so, to whom?

Mr. WHERRY. I yield first to the Senator from Georgia.

Mr. GEORGE. Mr. President, I do not know that I would be willing to consent to have the vote taken by 4 o'clock on Monday.

Mr. WHERRY. Then will the Senator name the hour he would prefer?

Mr. GEORGE. Probably we should be able to vote by 5 o'clock.

Mr. WHERRY. I thank the Senator.

Mr. GEORGE. Is there other proposed legislation to be considered this afternoon?

Mr. WHERRY. Probably there will be a veto message to be read. If the proposed agreement is entered, we might thereafter take up the Treasury and Post Office supplemental appropriation bill and any other measures we can reach.

Mr. GEORGE. The Senator from Virginia was anxious to speak about this matter; and he wished to speak today, I understand. I wonder whether the proposed agreement will be acceptable to him.

Mr. ROBERTSON of Virginia. Mr. President, it will be perfectly agreeable to me to speak on Monday, provided I may be assured that I may speak for as long as 40 minutes. I have been interested in this subject for many years, as perhaps the Members of the Senate know, and I should like to be assured of being able to have as long as 40 minutes in which to speak.

Mr. WHERRY. Mr. President, I yield now to the Senator from Colorado.

Mr. MILLIKIN. Mr. President, if the proposed request is agreed to, then if the Senator from Virginia cannot obtain 40 minutes from the opponents, I shall see that he obtains 40 minutes from the proponents.

Mr. ROBERTSON of Virginia. I thank the Senator.

Mr. WHERRY. Mr. President, I amend my request, so as to provide that the vote be taken at 5 o'clock on Monday.

Mr. HATCH. Mr. President, reserving the right to object, I wish to observe that the measure which is the unfinished business is one of the most important measures to come before the Congress. Do I correctly understand that it is proposed that the Senate convene at 11 o'clock Monday—when, of course the Senator from Colorado necessarily will take a certain amount of time to explain the bill—and that then we shall have available for debate on this important measure only the time from 11 o'clock until 5 o'clock on Monday?

Mr. MILLIKIN. Mr. President, so far as the proponents of the measure are

concerned, that is more than sufficient time. If any shortage of time should develop, the proponents—as has already been demonstrated—will try to be reasonable and to yield more time.

I urge the Senator not to object, because we have found by experience that when we enter into such agreements, we make better time, rather than if we proceed without any sort of limit.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. HATCH. Mr. President, reserving the right to object, let me say that I realize the correctness of what the Senator from Colorado has said, and I know he is always generous and fair in his allotment of time. So I shall not object; but I wish to say that I think the proposed course is unwise, and that the urgency of adjournment does not warrant the slight consideration which is proposed to be given to a bill of the import of this one—in other words, to devote only a few hours of debate to a bill which not only is very important to our domestic economy, but is a part and parcel of our relations with other nations.

Mr. WHERRY. Mr. President, I should like to modify the unanimous-consent request so as to include a provision that the time for the proponents be in charge of the distinguished Senator from Colorado [Mr. MILLIKIN], the chairman of the Finance Committee, and the time for the opponents be in charge of the distinguished Senator from Georgia [Mr. GEORGE].

Mr. O'MAHONEY. Mr. President, I have no intention of making objection to the request which has been made by the Senator from Nebraska—

Mr. WHERRY. I thank the Senator.

Mr. O'MAHONEY. But I think the RECORD should show that the difficulty which the Senator from Nebraska experienced in pronouncing the name "European Cooperation Administration" is a perfect demonstration of the fact that the Members of this body are utterly unable to give adequate attention to the matters which are before us. The Senator began his statement with a declaration that this afternoon—at 2 o'clock, I believe—the Committee on Appropriations is to meet to consider the Interior Department appropriation bill and the appropriation bill to implement the work of the European Cooperation Administration. Both those measures are of the greatest importance.

The Interior Department appropriation bill, as it has been presented, now contains a legislative provision—

Mr. WHERRY. Mr. President, of course I have been proceeding under the 5-minute rule.

Mr. O'MAHONEY. I shall take this time in my own time.

Mr. WHERRY. Very well.

Mr. O'MAHONEY. That appropriation bill contains a provision which runs directly contrary to the decision of the Supreme Court in the Robert Morse Lovett case, by making an attempt through a legislative rider on an appropriation bill to remove executive officials.

There are numerous other considerations—as, for example, reductions in the

appropriations for the Bureau of Mines—to which it will be utterly impossible for the Senate to give the consideration which they deserve; and all of this occurs because our friends on the other side of the aisle are determined that the Congress shall come to an end on the 19th of June, a week from today. We are driving through without regard to the welfare of the people of the United States, in order that the political convention may be held in Philadelphia next week.

Mr. WHERRY. Mr. President, may we have the question put on agreeing to the unanimous-consent request?

The PRESIDENT pro tempore. Is there objection to waiving the rule requiring a quorum call? The Chair hears none.

Mr. O'MAHONEY. Mr. President, I really think there should be a quorum call.

Mr. WHERRY. Mr. President, we had a quorum call when we began consideration of the calendar a little while ago.

Mr. O'MAHONEY. How long ago was that?

Mr. WHERRY. About an hour and a half ago.

Mr. O'MAHONEY. Members of the Senate have been in and out of the Chamber since then.

Mr. WHERRY. Very well, I shall not object. I suppose that would be out of order.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request to waive a quorum call before entering into the unanimous-consent agreement request by the Senator from Nebraska? Without objection, the roll call is waived. Is there objection to the unanimous-consent request preferred by the Senator from Nebraska? The Chair hears none, and it is so ordered.

The clerk will state the next business on the calendar.

CHICKAMAUGA AND CHATTANOOGA NATIONAL MILITARY PARK

The bill (H. R. 5936) to provide for the addition of certain surplus Government lands to the Chickamauga and Chattanooga National Military Park, in the States of Georgia and Tennessee, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

CHANGE OF NAME OF CHOPAWAMSIK PARK

The bill (H. R. 6246) to authorize the transfer of certain Federal lands within the Chopawamsic Park to the Secretary of the Navy, the addition of lands surplus to the Department of the Army to this park, the acquisition of additional lands needed to round out the boundaries of this park, to change the name of said park to Prince William Forest Park, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

JUAN BERRAR

The bill (H. R. 5655) confirming the claim of Juan Berrar to certain lands in the State of Louisiana, county of Attakapas, now parish of St. Martin, said

claim being listed as No. B-690 in the report of the commissioners dated June 1811, so as to include section 2, township 11 south, range 6 east, Louisiana meridian, containing 139.62 acres, was considered, ordered to a third reading, read the third time, and passed.

PERMISSION FOR MINING LOCATIONS

The bill (H. R. 2867) to permit, subject to certain conditions, mining locations under the mining laws of the United States within that portion of the Harney National Forest, designated as a game sanctuary, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF LAND TO RICHMOND, FREDERICKSBURG & POTOMAC RAILROAD CO.

The Senate proceeded to consider the bill (H. R. 4455) to authorize the conveyance by the Secretary of the Interior to the Richmond, Fredericksburg & Potomac Railroad Co., of certain lands lying in the bed of Roaches Run, Arlington County, Va., and for other purposes.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. ROBERTSON of Virginia. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. ROBERTSON of Virginia. Was there an objection to the bill?

The PRESIDENT pro tempore. The Senator from Oregon is requesting an explanation.

Mr. BUTLER. Mr. President, the bill authorizes the sale by the Federal Government of about 5 acres of land lying in the bed of Roaches Run, Arlington County, Va., to the Richmond, Fredericksburg & Potomac Railroad Co. It is mostly swamp land of no value to the Federal Government, but it can be put to use for railroad yard purposes. The interests of the Government have been fully protected. The Government will realize the appraisal value from the sale of the property.

Mr. MORSE. I have no objection.

There being no objection, the bill was ordered to a third reading, read the third time, and passed.

CONVEYANCE TO WYOMING OF LANDS IN PARK COUNTY

The bill (S. 1821) authorizing the conveyance of certain lands in Park County, Wyo., to the State of Wyoming, was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. MORSE. May we have an explanation?

Mr. ROBERTSON of Wyoming. Mr. President, before I address myself to the bill, may we have the amendments stated?

The PRESIDENT pro tempore. The Clerk will state the amendments.

The amendments were, on page 1, line 4, after the word "issue", to strike out "an unrestricted" and insert "a"; in line 5, after the word "for", to insert "the east half of the northeast quarter"; and in line 7, after the word

"Wyoming", to insert "subject to any existing lease or leases."

Mr. ROBERTSON of Wyoming. Mr. President, this bill authorizes the conveyance to the State of Wyoming of 80 acres of school section 36 in the Elk Basin oil field. Wyoming, as in the case of other States, received from the Federal Government at the time of its admission into the Union, all sections numbered 16 and 36 within the State. The State issued an oil-and-gas lease on the 80 acres in question in 1915. The area was drilled, oil has been developed and produced on the 80 acres. Royalties to the amount of approximately \$19,000 have been paid by the operating oil company. In 1944 the Government sued the State and its lessee. On June 2, 1944, the United States Supreme Court disregarding the rights created in the land by Congress, according to the surveys, as well as disregarding the exigencies of Wyoming for highly technical reasons decided the Government should prevail. Section 3, article 4 of the constitution provides:

The Congress shall have power to dispose of and make all needful rules and regulations respecting the Territory or other property belonging to the United States.

As a matter of fact, of right, and of justice, the State is entitled to the entire section numbered 36. However, under the circumstances and in order that its own existing lease contract may be recognized, the State is now willing to accept the 80 acres.

Mr. MORSE. Mr. President, I ask that the bill go over until I have an opportunity to study it.

The PRESIDENT pro tempore. The bill will be passed over.

FORT VANCOUVER NATIONAL MONUMENT

The bill (H. R. 5957) to provide for the establishment of the Fort Vancouver National Monument was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF PROVISIONS OF PUBLIC HEALTH SERVICE ACT TO THE VIRGIN ISLANDS

The bill (H. R. 5889) to extend the provisions of title VI of the Public Health Service Act to the Virgin Islands, was considered, ordered to a third reading, read the third time, and passed.

SUSPENSION OF ANNUAL ASSESSMENT WORK ON MINING CLAIMS IN ALASKA

The bill (H. R. 6239) to provide for the suspension of annual assessment work on mining claims held by location in the Territory of Alaska, was considered, ordered to a third reading, read the third time, and passed.

STAMP COMMEMORATIVE OF WILLIAM ALLEN WHITE

The Senate proceeded to consider the joint resolution (S. J. Res. 225) to authorize the issuance of a stamp commemorative of William Allen White.

The PRESIDENT pro tempore. In respect to Calendar No. 1665, Senate Joint Resolution 225, there is an identical joint House resolution (H. J. Res. 411) before the Committee on Post Of-

rice and Civil Service. Without objection, the committee will be discharged from the further consideration of the House joint resolution and, without objection, the House joint resolution will be considered.

There being no objection, the joint resolution (H. J. Res. 411) to authorize the issuance of a stamp commemorative of William Allen White, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate Joint Resolution 225 will be indefinitely postponed.

Mr. WHERRY. Mr. President, with regard to the passage of Senate Joint Resolution 225, I ask unanimous consent to have printed in the RECORD the report of the Committee on Post Office and Civil Service.

There being no objection, the report (No. 1607) was ordered to be printed in the RECORD, as follows:

The Committee on Post Office and Civil Service, to whom was referred the resolution (S. J. Res. 225) to authorize the issuance of a stamp commemorative of William Allen White, whose literary genius made such a great contribution in the field of American literature, having considered the same, report favorably thereon and recommend that the resolution, without amendment, do pass.

GENERAL STATEMENT

The provisions of Senate Joint Resolution 225 authorize and direct the Postmaster General to issue, during 1948, a special 3-cent postage stamp, of such design as he shall prescribe, in commemoration of William Allen White, whose literary genius made such a great contribution in the field of American literature.

Many famous men and women have come out of Kansas since those long days ago when Kansas Territory was the bone of contention between the abolitionists of the North and the pro-slave people of the South. Among that group was the man whose name will occupy a large place in the history books of all nations—William Allen White.

Of all the illustrious sons and daughters of this unique Kansas Commonwealth, Will White is regarded as a thoroughly typical representative. The ideals of freedom which men died to defend in the early Kansas days were part and parcel of William Allen White. He spoke the Kansas language naturally and eloquently so that it was heard around the world. He interpreted the Kansas ideal to his fellow citizens within and without the State so completely that the name of his town, Emporia, was recognized wherever English is spoken.

Journalism in early Kansas flourished as naturally as did the sunflower on her plains. Even in the fifties, immigrants brought with them in their covered wagons fonts of type, loads of paper, and hand presses, from which grew vigorous, free type journalism. In White this gift of journalism reached its culmination.

There was in him, as in those who went before him, a tendency to flamboyant metaphor, a vigor of expression. Humor when humor was fitting, and a zest for fighting that were typical of this State. He also had an epigrammatic wit, a human understanding—which only the great in heart have—and a familiarity of style tempered with unfailing good taste as well as a resourcefulness in journalistic battle.

Will White was reared in a pioneer world where the buffalo and Indian still roamed. He died in a world standing on the brink of the atomic age. It had changed greatly in those 76 years, and so had he. He changed from a rock-ribbed conservative to a militant

liberal. And scarcely a week in all of these years passed without White's telling Kansas through the much-quoted Emporia Gazette what he thought about things. Kansans know him as one who was truthful and courageous in his political views. He had an important part in Presidential politics, in Kansas and the Nation. Quite a while before Herbert Hoover was openly in the race for President, Mr. White called a Republican caucus held under the trees in the grove alongside Will's home in Emporia. The shrewdest politicians of the State were there to look Hoover over for the first time. It was agreed that Hoover should be the next Republican nominee for President and the program later was carried through.

But, if Kansas made Will White, he in turn helped, as no man of his generation to make the State become what it did become in the first quarter of the twentieth century. Without him, much of the State's color, daring, and liberality would have been missing. The great traditions on which Kansas had been founded were in his blood and his was the typewriter that interpreted for a new generation many of the ideals that had been a pillar of fire by night to that older generation who had settled this new land of privation and trouble.

His friends have created a foundation which bears his name in order that his beneficent influence may not be lost to future generations of Americans. The William Allen White Foundation activities will be geared in with those of the William Allen White School of Journalism and Public Information which has been established at his alma mater, the University of Kansas. Together these two organizations will seek to strengthen the principles which guided his life, principles of moderation, tolerance, kindness, and integrity—those principles which guided and made this Nation great.

The PRESIDENT pro tempore. That concludes the call of the calendar, with the exception of one bill which went to the foot of the calendar.

MAINTENANCE OF A DOMESTIC TIN-SMELTING INDUSTRY

The Senate proceeded to consider the bill (S. 2830) to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry.

Mr. MORSE. Mr. President, when this bill was called a short time ago, the Senator from New Jersey [Mr. SMITH] asked to have it go to the foot of the calendar until he could discuss the matter with me. We have had that discussion, and I am privileged to notify the Senate that the Senator from New Jersey has withdrawn his objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2830) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the joint resolution entitled "Joint resolution to strengthen the common defense and to meet industrial needs for tin by providing for the maintenance of a domestic tin-smelting industry," approved June 28, 1947, is amended by striking out "June 30, 1949," and inserting in lieu thereof "June 30, 1954."

ORDER FOR RECESS

Mr. WHERRY. Mr. President, I ask unanimous consent that when the Senate takes a recess at the conclusion of today's session, it recess until next Monday at 11 o'clock a. m.

The PRESIDENT pro tempore. Without objection, the order is made.

FEES AND EXPENSES OF JURORS

Mr. McGRATH. Mr. President, on behalf of the Committee on the Judiciary I wish to make a request. On Wednesday, June 9, on a call of the calendar, the Senate passed the bill S. 19, relating to the fees and expenses of jurors. At that time it was not known that the House had previously passed a companion bill (H. R. 945) which bill had been very recently referred to the Judiciary Committee of the Senate. I therefore ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H. R. 945 and that it be considered and passed. I also ask that S. 19 be recalled from the House of Representatives.

The PRESIDENT pro tempore. Without objection, the motion to recall Senate bill 19 from the House will be entered.

Is there objection to the request of the Senator from Rhode Island that the Committee on the Judiciary be discharged from the further consideration of House bill 945 and that it be presently considered by the Senate?

There being no objection, the bill (H. R. 945) relating to the payment of fees, expenses, and costs of jurors was considered, ordered to a third reading, read the third time, and passed.

PERMISSION TO FILE REPORTS ON APPROPRIATION BILLS

Mr. TAFT. Mr. President, I ask the consent of the Senate that the Committee on Appropriations may file, during the recess of the Senate, between today and the time of convening on Monday, any appropriation bills it may have ready, and that it may also file any notices of motions to suspend the rule of the Senate for the purpose of considering legislative matters on appropriation bills.

The PRESIDENT pro tempore. Without objection, the order is made.

ADMISSION OF DISPLACED PERSONS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2242) to authorize for a limited period of time the admission into the United States of certain European displaced persons for permanent residence, and for other purposes, which was, to strike out all after the enacting clause and insert:

That this act may be cited as the "Emergency Displaced Persons Admission Act."

SEC. 2. When used in this act, the term "displaced person" means—

(a) a person who was on April 21, 1947, and is upon the effective date of this act in Italy or the United States, British, or French zones or sectors in Germany or Austria and who during World War II bore arms against the enemies of the United States and is unable or unwilling to return to the country of which he is a national because of persecution or his fear of persecution on account of race, religion, or political opinions; or the person who has fled as a direct result of persecution or fear of persecution developing from the overthrow of the government of his country of origin since April 21, 1947;

(b) a person who is registered by the International Refugee Organization, according to the definitions of displaced persons and

16. GOVERNMENT CORPORATIONS APPROPRIATION BILL. In reporting this bill (see Digest 107), the Appropriations Committee made the following amendments, among others:
Reduced from \$373,600 to \$223,600 the amount which may be paid to FCA by Federal Intermediate Credit Banks for supervisory or other services.
Increased the amount for administrative expenses of production credit corporations from \$1,350,000 to \$1,500,000.
Reduced from \$60,000,000 to \$20,000,000 the amount of production credit corporations capital which must be returned to the Treasury.
Provided \$150,000 additional to the RACC for administrative expenses.
The committee report states that \$100,00 of this was included in view of the amendment to the Agricultural Appropriation Bill regarding reentry of the corporation in an area where an economic emergency or production disaster has occurred, and \$50,000 was included in view of inclusion of language authorizing fur-farmer loans.
Struck out the language which would increase the salary of the FCA Governor to \$12,000. The committee report states, "It is the judgment of the committee that such provisions should not be included in appropriation bills. Furthermore there is a bill pending before the Congress dealing with the salary scale of all Federal employees." Began debate on this bill (pp. 8388-93).
17. ADMINISTRATIVE PROCEDURE; SUGAR. In reporting S. 2755 (see Digest 105), the Judiciary Committee amended the bill to strike out the provision exempting actions under the Sugar Control Extension Act of 1947 from certain provisions of the Administrative Procedure Act.
18. INDIAN RELIEF. In reporting S. 2686 (see Digest 107), the Interior and Insular Affairs Committee amended the bill, which would establish a Navajo-Hopi Indian Administration for rehabilitation of these Indians, by striking out the provisions which would transfer extension functions to the Extension Service and Forestry functions to the Forest Service.
19. INTERIOR APPROPRIATION BILL. In reporting this bill (H. R. 6705; see Digest 107), the Appropriations Committee increased Reclamation Bureau \$27,647,958 and Bureau of Land Management \$668,135. The total increase over the House figure was \$46,486,507, of which \$11,343,000 was in supplemental estimates not before the House. Passed this bill with amendments (pp. 8369-88). Senate conferees appointed (p. 8388). House conferees not yet appointed.
20. FOREIGN AID APPROPRIATION BILL. In reporting this bill, the Appropriations Committee increased the 12-months purchasing power of ECA by \$1,175,000,000 (pp. D646, 8355).
21. APPROPRIATIONS. Received from the President supplemental appropriation estimates for this Department for the fiscal year 1949 as follows: (1) Foot-and-mouth disease research facilities, \$5,500,000, as the first increment of a total of \$30,000,000 for the establishment of such facilities; (2) \$4,800,000, flood damage repairs to national forest improvements and facilities in Ore., Wash., Idaho, and Mont.; (3) and \$492,000 for Federal cooperation in control of golden nematode in potato and tomato producing areas (S.Doc. 174) (p. 8349).
Received from the President a supplemental appropriation estimate for 1949 for \$31,800,000 to finance the selective service program to be established by legislation now pending (S.Doc. 175) (p. 8349).
Received from the President a supplemental appropriation estimate for \$2,393,458.55 for the payment of claims of the several executive departments and independent offices (S.Doc. 177) (p. 8349).
Received from the President a supplemental appropriation estimate for 1949

\$15,000,000 for Federal Works Agency and a proposed contract authorization in the amount of \$10,000,000 (S. Doc. 176) (p. 8349).

22. FOREIGN TRADE. Passed, 70-18, with amendments H.R. 6556, to extend the Trade Agreements Act (pp. 8306-49). As passed the bill is the version which was reported by the Finance Committee (see Digest 104) with the following amendments which were adopted on the floor: (1) To extend the act from June 12, 1948, to June 30, 1949; (2) changing the phrase "domestic producers" to "domestic industry producing like or similar articles"; (3) enabling President to proceed with trade-agreement negotiations if the Tariff Commission has not reported within 120 days; and (4) technical perfecting amendment relating to list of items submitted by President for possible modification of duties.

Rejected three amendments by Sen. Barkley, Ky., as follows: (1) To extend act until June 30, 1951, 41-48; (2) to extend act until June 30, 1950, 42-47; and (3) to extend act for 1 year in present form, 43-46 (pp. 8347-8).

Sens. Millikin, Taft, Butler, Barkley, and Connally were appointed conferees (p. 8348). House conferees not yet appointed.

23. FARM PROGRAM. S. 2318, the long-range farm program bill was made the unfinished business (pp. 8362, 8393). Sen. Brewster, Maine, submitted for himself and Sens. White (Maine), Dworshak (Idaho), Johnson (Colo.), and Downey (Calif.) amendments which they intend to propose to S. 2318 (p. 8353).

24. ARMY CIVIL FUNCTIONS APPROPRIATION BILL, 1949. Agreed to the conference report on this bill, H.R. 5524 (pp. 8358-62). This bill will now be sent to the President.

25. D.C. APPROPRIATION BILL, 1949. Agreed to the conference report on this bill, H.R. 6430 (pp. 8356-7). This bill will now be sent to the President.

26. FLOOD CONTROL. Both Houses appointed conferees on H.R. 6419, the Rivers and Harbors and Flood Control bill for 1948 (pp. 8214, 8355).

BILLS INTRODUCED

27. PRICE CONTROL. H.R. 6918, by Rep. Isacson, N.Y., to prevent further price increases and to reduce present prices to price levels consistent with a stable economy, and to allocate and control production and distribution to the extent necessary to distribute equitably commodities in short supply and to maintain stable prices. To Banking and Currency Committee. (p. 8305.) Remarks of author (pp. A4056-8).

28. FEDERAL SALARIES. H. R. 6917, by Rep. Rees, Kans., to provide a temporary increase in the compensation of officers and employees of the Federal Government and of D.C. municipal government. To Post Office and Civil Service Committee. (p. 8305.) See Item 6.

29. COMMITTEES. H. Con. Res. 217, by Rep. Carroll, Colo., to establish fair hearing procedures for congressional investigating committees. To Rules Committee. (p. 8305.)

30. AGRICULTURAL COMMODITIES. H.R. 6869 (see Digest 105) amends the Perishable Agricultural Commodities Act so as to include as perishable agricultural commodities cherries in brine and floricultural products as defined in accordance with trade usages.

31. RECLAMATION. S. 2858, by Sen. Cain, Wash., to establish a reclamation project

tain papers of sundry executive departments. Laid on the table.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOFFMAN:

H. R. 6914. A bill to forbid certain interferences with interstate or foreign commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE of Florida:

H. R. 6915. A bill to amend the Interstate Commerce Act, part III; to the Committee on Interstate and Foreign Commerce.

By Mr. REES:

H. R. 6916. A bill to provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department; to the Committee on Post Office and Civil Service.

H. R. 6917. A bill to provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government; to the Committee on Post Office and Civil Service.

By Mr. ISACSON:

H. R. 6918. A bill to prevent further price increases and to reduce present prices to price levels consistent with a stable economy, and to allocate and control production and distribution to the extent necessary to distribute equitably commodities in short supply and to maintain stable prices; to the Committee on Banking and Currency.

By Mr. LEMKE:

H. J. Res. 426. Joint resolution providing for the ratification by Congress of a contract for

the purchase of certain Indian lands by the United States from the Three Affiliated Tribes of Fort Berthold Reservation, and for other related purposes; to the Committee on Public Lands.

H. J. Res. 427. Joint resolution correcting act establishing the Theodore Roosevelt National Memorial Park, as amended; to the Committee on Public Lands.

By Mr. CARROLL:

H. Con. Res. 217. Concurrent resolution to establish fair hearing procedures for congressional investigating committees; to the Committee on Rules.

By Mr. MACY:

H. Res. 672. Resolution providing for further expenses of conducting the studies and investigations authorized by House Resolution 403; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Maryland, memorializing the President and the Congress of the United States to enact legislation providing for salary increases for postal employees; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HARTLEY:

H. R. 6919. A bill for the relief of Joseph Gerald Flynn; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 6920. A bill for the relief of Oscar and Frederick Neustadt; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 6921. A bill for the relief of Beno Demenyi and Margit Demenyi, his wife; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 6922. A bill for the relief of Vasilios Efstraliou Moustakeas; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2096. By Mr. GRAHAM: Petition of 19 members of the Golden Rule Class of Cabot Methodist Church, Cabot, Pa., in opposition to the Towe bill, H. R. 4278, and urging prohibiting the sale of beer to trainees, especially those under the age of 21 years; to the Committee on Armed Services.

2097. By the SPEAKER: Petition of Howard G. Miller and others, petitioning consideration of their resolution with reference to immediate increase in postal basic salaries of not less than \$800 per annum; to the Committee on Post Office and Civil Service.

2098. Also, petition of New York Teachers Chapter, American Veterans Committee, petitioning consideration of their resolution with reference to the discharging of the Taft-Ellender-Wagner bill from the Committee on Banking and Currency; to the Committee on Banking and Currency.

2099. Also, petition of UOPWA-CIO, Local 39, Chicago Ill., petitioning consideration of their resolution with reference to the endorsement of H. R. 6099 and H. R. 6777; to the Committee on Ways and Means.

Senate

MONDAY, JUNE 14, 1948

(Legislative day of Tuesday, June 1, 1948)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Eternal God, who hast made us and designed us for companionship with Thee, who hast called us to walk with Thee and be not afraid, forgive us, we pray Thee, if fear, unworthy thought, or hidden sin has prompted us to hide from Thee.

Save us, we pray, from all sins of intellect, not only from the error and ignorance which belong to our frailty, but from the pride that would make us think ourselves sufficient for our tasks.

Forgive us for thinking of prayer as a waste of time, and help us to see that without it our labors are a waste of effort.

O God, help us, guide us, and use us for Thy glory and our good. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, June 12, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Nash, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, returned to the Senate, in compliance with its request, the bill (S. 19) relating to the payment of fees, expenses, and costs of jurors.

The message announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6758) making supplemental appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2237) to increase certain benefits payable under the Longshoremen's and Harbor Workers' Compensation Act.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3735) to authorize and direct the Secretary of War to donate and convey to Okaloosa County, State of Florida, all the right, title, and interest of the United States in and to a portion of Santa Rosa Island, Fla., and for other purposes;

asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ELSTON, Mr. CLASON, and Mr. SIKES were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6419) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DONDERO, Mr. ANGELL, Mr. WILSON of Indiana, Mr. MCGREGOR, Mr. WHITTINGTON, Mr. LARCADE, and Mr. DAVIS of Tennessee were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6162. An act to make imported beer and other similar imported fermented liquors subject to the internal-revenue tax on fermented liquor;

H. R. 6248. An act to authorize the Secretary of Agriculture to stabilize prices of agricultural commodities; to amend section 22 of the Agricultural Adjustment Act, reenacted by the Agricultural Marketing Agreement Act of 1937; and for other purposes; and

H. R. 6808. An act to permit refund or credit to brewers of taxes paid on beer lost in bottling operations.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1675) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, and it was signed by the President pro tempore.

COMMITTEE MEETING DURING SENATE SESSION

Mr. WHERRY asked and obtained consent that a subcommittee of the Committee on Public Works be permitted to meet during the session of the Senate today.

ANNOUNCEMENT CONCERNING TODAY'S SESSION AND PROGRAM

Mr. WHERRY. Mr. President, I wish to announce that there will be a night session tonight.

If it meets with the approval of the Senate, it is proposed, at the conclusion of the unfinished business after 5 o'clock, to call up for consideration the so-called long-range farm program bill, which will be in charge of the Senator from Vermont [Mr. AIKEN]. After that bill is

made the unfinished business, it is then intended that a unanimous-consent request will be made to lay aside temporarily the unfinished business and to consider appropriation bills. The bill making appropriations for the Department of the Interior is now ready for consideration. The Government corporations appropriation bill is also on the calendar and ready to be acted upon. I believe by the time those two appropriation bills are out of the way the bill making appropriations for the Navy will be ready. Consideration of those three bills will require some time. For that reason a night session will be held, in the hope that we may dispose of the three appropriation bills and then resume consideration of the long-range farm program bill during the session tomorrow.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 6556) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The PRESIDENT pro tempore. Under the order of the Senate, the time from 11 o'clock until 5 o'clock is under the equal control of the Senator from Colorado [Mr. MILLIKIN] and the Senator from Georgia [Mr. GEORGE]. The Chair cannot recognize any Senator except by leave of one of the Senators in charge of the time.

Mr. GEORGE. Mr. President, for providential reasons it will be necessary for me to leave the Chamber as early as I can, and I ask unanimous consent that the Senator from Kentucky [Mr. BARKLEY] control the time in my place. I shall probably desire to speak for a few minutes on the subject under consideration, and thereafter the Senator from Kentucky will control the time.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. WHERRY. I inquire of the Senator from Colorado and the Senator from Georgia if time may be granted for a quorum call, to be charged equally to the proponents and opponents of the pending bill.

Mr. MILLIKIN. Mr. President, that is agreeable to me.

Mr. WHERRY. Is it agreeable to the Senator from Georgia?

Mr. GEORGE. It is quite agreeable to me.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll, the time of the quorum call to be charged equally to the two sides of the debate.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Myers
Baldwin	Hatch	O'Connor
Ball	Hawkes	O'Daniel
Barkley	Hayden	O'Mahoney
Brewster	Hickenlooper	Pepper
Bricker	Hill	Reed
Bridges	Hoey	Revercomb
Brooks	Holland	Robertson, Va.
Buck	Ives	Robertson, Wyo.
Butler	Jenner	Russell
Byrd	Johnson, Colo.	Saltonstall
Cain	Johnston, S. C.	Smith
Capehart	Kem	Sparkman
Capper	Kilgore	Stennis
Chavez	Knowland	Stewart
Connally	Langer	Taft
Cooper	Lodge	Taylor
Cordon	Lucas	Thomas, Okla.
Donnell	McCarthy	Thye
Downey	McClellan	Tobey
Dworshak	McFarland	Tydings
Eastland	McGrath	Umstead
Ecton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Feazel	Magnuson	Wherry
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Millikin	Williams
George	Morse	Wilson
Green	Murray	Young

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Oklahoma [Mr. MOORE] are necessarily absent.

Mr. LUCAS. I announce that the Senator from South Carolina [Mr. MAYBANK] is absent on public business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a national delegate by the President to the annual conference of the International Labor Organization, meeting in San Francisco, Calif.

The PRESIDENT pro tempore. Ninety Senators have answered to their names. A quorum is present.

The Senate will proceed to the consideration of House bill 6556, to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes. The Chair recognizes the Senator from Colorado.

Mr. MILLIKIN. Mr. President, in January and February of 1947 the distinguished senior Senator from Michigan [Mr. VANDENBERG] and the junior Senator from Colorado, in response to many complaints which both had received, made an effort to secure improvement in the reciprocal trade procedures. On February 7, 1947, the distinguished senior Senator from Michigan and the junior Senator from Colorado made a public statement on the subject, which I desire to read:

JOINT STATEMENT BY SENATOR VANDENBERG, CHAIRMAN OF THE SENATE FOREIGN RELATIONS COMMITTEE, AND BY SENATOR MILLIKIN, CHAIRMAN OF THE SENATE FINANCE COMMITTEE

Because of our mutual interest in the foreign and domestic aspects of the forthcoming trade agreements negotiations we have held a number of conversations on the subject.

We were referring to the forthcoming Geneva negotiations.

These and the discussions later referred to with Under Secretary of State Acheson and Under Secretary of State Clayton have been entirely on our own responsibility and solely

for preliminary exploration on the subject. It is understood that the proposals are tentative and subject to revision in the light of developments.

Although we are conscious of differences of opinion between us as to some of the philosophy and procedures of the reciprocal-trade system, we are in accord on the following:

"1. Since under existing law the Reciprocal Trade Act, as last extended by the Congress, does not expire until June 12, 1948, important basic changes in the system, if these should be needed, can be made more appropriately by the next session of this Congress. Moreover, pursuant to the authority vested in it by the Reciprocal Trade Act which, as above pointed out, does not expire until June 1948, the State Department has invited 18 nations to bargain with us this coming April for trade agreements; that elaborate plans for the negotiations have been made by the nations involved; that our own domestic hearings have been under way; that from the standpoint of our foreign relations it is undesirable that these plans be abandoned or needlessly postponed.

"2. There is considerable sentiment for procedural improvements leading to more certain assurance that our domestic economy will not be imperiled by tariff reductions and concessions. The desire for procedural improvements arises from fears such as the following:

"(a) That our proper domestic concern in tariffs adequate to safeguard our domestic economy may be subordinated to extraneous and overvalued diplomatic objectives;

"(b) That our domestic interests which require protection against injurious imports or the threat thereof are not given proper hearings on proposed tariff cuts;

"(c) That the exact reductions and concessions contemplated are kept secret and it is impossible to make specific defensive arguments against unspecified perils;

"(d) That the whole matter is surrounded with unnecessary secrecy;

"(e) That responsibility for advice to the President against injurious tariff reductions and concessions is unduly diluted and obscured among too many executive agencies and is not sufficiently focused on those best able to give it;

"(f) That we do not get sufficient return benefit from the generalized benefits resulting to other nations from the operations of the unconditional most-favored-nation clauses in our trade agreements."

3. That under the Tariff Act of 1930 and the amending Reciprocal Trade Act there is ample authority for establishment of procedures by the President without further legislation that will safeguard the domestic economy without hampering the negotiation of agreements to encourage the essential expansion of our foreign trade.

4. That to the extent such executive safeguards are provided, claims for legislative action are obviated.

5. We believe that the following measures which may be put into effect by the President out of his existing powers would afford improved safeguards and would, without damage to legitimate reciprocal trade negotiations, allay many of the fears that have been mentioned;

(a) The United States Tariff Commission to review all contemplated tariff reductions and concessions in all future trade agreements and to make direct recommendation to the President as to the point beyond which reductions and concessions cannot be made without injury to the domestic economy;

(b) Inclusion of "escape clause" in every trade agreement hereafter entered into or renewed whereby the United States, on the initiative of the President, can withdraw or modify any tariff reduction or concession if in practice it develops that such reduction or

concession has imperiled any affected domestic interest;

(c) The Tariff Commission to keep closely and currently informed on the operation of all of our trade agreements and on its own motion or on the request of the President or of the Congress, or of any aggrieved party, to hold public hearings to determine whether, in its opinion, any particular escape clause should be invoked, and to recommend direct to the President withdrawal or modification of any rate or concession which imperils any affected domestic interest.

(d) Recommendations of Tariff Commission to President for withdrawal or modification of rates or concessions under operation of "escape clause," together with any dissenting opinions of members and nonconfidential supporting data to be open to public inspection;

(e) Efficient procedures and policies to assure that nations which do not make available to us their own tariff reductions and concessions to other nations shall not receive generalized benefits from us resulting from the inclusion in our own trade agreements of the unconditional most-favored-nation clauses except at our option exercised in the public interest.

6. We have discussed these matters with Under Secretary of State Acheson and Under Secretary of State Clayton and are encouraged to hope that improvements by Executive order along the lines suggested will be seriously considered by the President and the State Department.

FEBRUARY 7, 1947.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. SMITH. Will the Senator give me the date of that statement?

Mr. MILLIKIN. February 7, 1947.

At that time that effort was generally approved as something which was constructive. Unless Senators were dissembling, there was substantial approval from both sides of the aisle. Where criticism was voiced, it was on the ground that we did not go far enough.

The bill now before the Senate incorporates but a part—and in milder form—of the unaccepted suggestions made 16 months ago. But it will not be long before we shall be told that these measures for improvement of the system, so harmless and so innocently conceived 16 months ago and then generally regarded as constructive, are in fact villainous devices to destroy reciprocal trade, to return to congressional log-rolling, and to high protectionism that would isolate us economically and break the heart of the world. Thus we shall see in graphic form the feverish exaggerations which can capture the minds of able men in a Presidential election year.

Unless care is taken to avoid it, the arguments on the subject are based on its extremes. The crypto-high protectionist sees the tariff-lowering tendency of the system, and, therefore, everything about it is anathema to him. The crypto-free trader, likewise, looking at the tariff-lowering tendency of the system, assaults with violence any attempt to reconcile the tendency with avoidance of injury to our domestic producers in our domestic market.

There is a middle ground which will permit the expansion of our foreign trade and the increase of imports without injuring the fair chance of our domestic producers at our domestic mar-

ket. Here, I suggest, is a feasible and constructive goal for friends of the system.

Those who have a genuine interest in reciprocal trade, those who believe that the public welfare is to be found between the positions of the extremists, will, I respectfully suggest, best advance their cause by repelling argument and attitudes which would make a mystique of the subject, requiring unquestioning genuflection and devotional exercises.

The reciprocal-trade system cannot remain static in a rapidly changing world. No good purpose is served by running up our blood pressures at the mere suggestion that improvement is possible or desirable. If the system does not accommodate itself to fair criticisms, it will fall before their cumulative strength.

The President did not accept the suggestion of the distinguished senior Senator from Michigan and the junior Senator from Colorado as to the role in reciprocal trade of the Tariff Commission.

The President ordered inclusion of escape clauses, but in practice hedged the escape procedures with so many conditions that they are ineffectual. This will be demonstrated.

On June 15, 1934, President Roosevelt wrote Representative BUCK as follows, and this may be found in the record of the hearings at pages 377-378:

MY DEAR CONGRESSMAN BUCK: I am somewhat surprised and a little amused at the fears you say have been aroused in California because of the enactment and possible administration of the Reciprocal Trade Agreements Act. Certainly it is not the purpose of the administration to sacrifice the farmers and fruit growers of California in the pursuit of the will-o'-the-wisp of foreign markets, as published reports would make believe. I trust that no Californian will have any concern or fear that anything damaging to the fruit growers of that State or of any other State will result from this legislation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

In President Truman's message to Congress of March 1, 1948, on the subject of reciprocal trade agreements extension, he said:

In addition, the interests of domestic producers are carefully protected in the negotiation of each trade agreement. I assured the Congress when the Reciprocal Trade Agreements Act was last extended in 1945 that domestic producers would be safeguarded in the process of expanding trade. That commitment has been kept. It will continue to be kept. The practice will be continued of holding extensive public hearings to obtain the view of all interested persons before negotiations are even begun. The practice will be continued whereby each agreement before its conclusion will be carefully studied with the Departments of State, Treasury, Agriculture, Commerce, and Labor, the National Military Establishment, and the Tariff Commission.

Finally, each agreement will continue to include a clause which will permit withdrawal or modification of concessions if, as a result of unforeseen developments and of the concessions, imports increase to such an extent as to cause or threaten serious injury to domestic producers.

In connection with the hearings on the extension of the reciprocal trade agreements in 1945, Mr. Clayton testified; reading from page 7 of that report, and

from page 378 of the report on the hearings before the Senate Finance Committee:

A rumor has freely circulated that certain American industries have been singled out as inefficient industries and that if the additional authority provided for in the bill is granted the State Department will use such authority to trade off these inefficient industries for other industries which can compete in the world market. Nothing could be further from the truth than this. The State Department has never construed the Trade Agreements Act as a license to remake the industrial or agricultural pattern of America. The record of 11 years of administration of the act should prove that. If, however, there is any doubt in anyone's mind regarding the use of the act to seriously injure American industry, this doubt should be completely dispelled by the letter of May 25 from President Truman to the Honorable SAM RAYBURN. The short letter reads as follows:

"MY DEAR MR. SPEAKER: Supplementing our conversation yesterday, I wish to repeat that I regard the pending measure for the renewal and strengthening of the Trade Agreements Act as of the first order of importance for the success of my administration. I assume there is no doubt that the act will be renewed. The real question is whether the renewal is to be in such form as to make the act effective. For that purpose, the enlargement of authority provided by section 2 of the pending bill is essential. I have had drawn to my attention statements to the effect that this increased authority might be used in such a way as to endanger or trade out segments of the American industry, American agriculture, or American labor. No such action was taken under President Roosevelt and Cordell Hull, and no such action will take place under my Presidency."

"Sincerely yours,

"HARRY S. TRUMAN."

Mr. President, you have noted that the noninjury assurances were unequivocal and therefore would warrant their inclusion in the bill as a mandatory standard. These assurances were relied upon by Members of Congress in granting past extensions of the Reciprocal Trade Agreements Act. Skepticism as to whether they would be kept has prompted resistance to the system and has substantially narrowed the field of its support.

Is it going back to high protectionism, is it gutting reciprocal trade, to provide a reminder to the President—that is all we are doing here—of an explicit assurance which he has given presumably for the constructive furtherance of the system?

This is all that is intended by the bill before us with its proposed amendments.

The report of the committee tells in summary fashion what we are doing. Let me read from it. I shall begin on page 2.

It is not lengthy.

GENERAL STATEMENT

The bill extends to June 30, 1949, without diminution, the existing authority of the President under section 350 of the Tariff Act of 1930 to enter into foreign trade agreements. For future trade negotiations it establishes a procedure whereby the Tariff Commission will make findings of the maximum or minimum limits of duties or other import restrictions necessary if serious injury or threat of injury to domestic producers is to be avoided. The bill provides that if, in the resulting agreement, the President makes terms in disregard of these findings, he shall state his reasons for ignoring them.

No more than that, I interpolate to say.

This is the only change of notable importance in the existing law proposed by the bill, and this change is procedural in character.

In reporting out this bill your committee reserves questions such as those posed by allegations that the authority conferred under section 350 of the Tariff Act has been exceeded either by incorporation of general regulatory provisions in the multilateral trade agreement recently concluded at Geneva, or otherwise. Many of these regulatory provisions duplicate provisions in the Habana charter for an International Trade Organization and therefore consideration will be given these matters when the Habana charter is presented to the Congress. If the United States accepts membership in the International Trade Organization broad statutory changes would be needed to carry out effectively engagements that would follow from this country's acceptance of membership in that organization. This approaching decision respecting membership in the International Trade Organization is a strong reason for not extending the Trade Agreements Act of 1934 beyond June 30, 1949.

From progressively widening sources your committee hears complaints that domestic producers who require protection against injurious competition from imports do not receive adequate consideration in trade agreement negotiations. There is much feeling that fully justifiable needs for tariffs adequate to safeguard the well-being of our domestic economy are being subordinated to extraneous, and perhaps overvalued, diplomatic objectives. There is considerable evidence that advice to the President against injurious tariff reductions and concessions is diluted and obscured in a maze of executive committees not primarily concerned with safeguarding our domestic producers against injury.

The secrecy surrounding the conduct of our trade-agreements program gives occasion for some of the doubts expressed regarding its operations. Your committee, in the hearings on the pending bill, was refused the minutes of the interdepartmental committee largely responsible for the policies of the trade-agreements program. Furthermore, representatives of the State Department refused to give unequivocal assurances that our domestic producers are being protected. In fact, the special adviser to the Secretary of State sponsoring before the Congress an unconditional extension of the Trade Agreements Act for a period of 3 years has declared that calculated risks affecting domestic producers are taken, and that if injury occurs recourse must be had to the escape-clause procedure. This procedure—

I interpolate to say, as will be demonstrated—

is subject to many weaknesses. It requires lengthy investigations and the injury may be consummated and beyond repair by the time the procedure is made effective. The Geneva multilateral trade agreement provides that if any nation takes an escape, all of the other contracting parties (22 of them) may take compensating escapes on articles of their own choosing. This would make entirely unpredictable the magnitude of adverse repercussions of an escape, and thus would discourage its use.

The bill provides a procedure designed to lessen these doubts in the future by requiring that the President shall give focused attention to the injury test. This procedure for focused attention by the President to the injury test merely gives statutory expression to repeated Presidential assurances that in the conduct of the trade agreements program domestic producers would be protected from injury.

Then come letters which I have read. The procedure provided by the bill is designed to help the President to fulfill such assurances.

For the performance of the fact-finding function involved in the bill your committee believes the Tariff Commission has proved its ability. The Commission is bipartisan. It has an adequate staff of technicians well trained to perform the Commission's function under the bill. Fact finding as to the matters on which the bill directs the Commission to report to the President is the Commission's traditional role. Prior to the recent trade-agreement negotiations at Geneva, the Commission made comprehensive investigations of more than 3,300 articles considered as "concession items." On the basis of the Commission's experience, and with the store of information available to it, there appears no substantial doubt of the Commission's capacity to perform the duties reposed in it by the bill with respect to any future trade-agreement negotiations. In this connection it should be noted that the hearing made it clear that at this time there are no negotiations under way for additional trade agreements, and that those which might be entered into in the indefinite future would comprise a relatively inconsequential part of the world's trade. Therefore the bill will not impose upon the Tariff Commission burdens which could not be handled expeditiously with its present personnel.

Under the bill when negotiations are in prospect the President will furnish the Tariff Commission with a list of all articles imported into the United States which may be considered in the negotiations. Thereafter the Tariff Commission will undertake an investigation, including hearings, and will report to the President its findings, with respect to each article, as to the limit to which a modification or binding of duties and other import restrictions may be carried without causing or threatening serious injury to domestic producers of a like or similar article. If increases in duties or additional restrictions are necessary to avoid serious injury, or the threat thereof, to domestic producers the Commission will report the minimum increase required. Obviously, the peril points cannot be calculated with slide rule precision, but the Commission's practical wisdom in these matters will enable it to reach findings as to peril points which the President may accept with confidence as being the soundest of any available to him. The report of the Commission will be made directly to the President.

Mark this, please:

The President is not compelled to stay within the limits set by the Tariff Commission in its report to him. If, however, he enters into an agreement which disregards such limits, the bill directs that, within 30 days after the agreement is entered into, he shall transmit a message to Congress accurately identifying the articles in question and stating the reasons for his action or non-action with respect to each such article. Promptly thereafter the Tariff Commission will deposit with the Committee on Ways and Means of the House and with the Committee on Finance of the Senate a copy of its report to the President with respect to the agreement. Under existing law the Tariff Commission has the responsibility of reporting to these committees, upon their request, all information at its command.

The Tariff Commission is restricted under the bill to a fact-finding function, and is prohibited from participating in any policy decisions of the executive branch, or in the negotiation of trade agreements. This is as it should be, for the Commission is a legislative agency and should not be a participant in the making of executive decisions. Accordingly, its officers and employees under

the bill will no longer be eligible for membership on the interdepartmental committee which recommends to the President the policies to be followed in these negotiations. This does not, however, imply any interference with the function of that interdepartmental committee, or any other the President may establish. On the contrary, the bill directs the President to seek advice from the Departments of State, Commerce, Agriculture, and the National Military Establishment, and from such other sources of information and advice as he deems appropriate. With respect to export considerations, for example, the President will be able to obtain advice from the Department of Commerce as heretofore.

What are the objections to the bill with its proposed amendments? They come to these:

First. A year's extension is not enough;

Second. The bill mandates a single standard—noninjury for domestic producers—for making an agreement;

Third. Costs of production would be the sole inquiry of the Tariff Commission and this is impractical under the present state of the world's economy;

Fourth. It will put too much of a burden on the Tariff Commission, and that the Commission is not competent to give advice on peril points;

Fifth. The Tariff Commission will be subjected to pressure;

Sixth. It is not necessary, because domestic producers are protected by the escape clause;

Seventh. It would destroy the functions of the Interdepartmental Committee which now advises the President as to what should be done;

Eighth. It would reimpose the Smoot-Hawley tariff law, which would restore high protectionism; and

Ninth. It would restore tariff making by logrolling.

As to the claim that 1 year's extension is not enough, I respectfully suggest that it is easily demonstrable that a longer extension would be senseless. In the first place, it will be quite evident before the day is over, and it has already been made quite evident by public discussion of the matter and by testimony at the hearings, that in this election year it is impossible to give the subject the type of review which might justify a longer extension. But the decisive reason is in the relation of the Reciprocal Trade Agreements Act to the Geneva multilateral trade agreement and the proposed charter of the International Trade Organization drafted earlier this year at Habana. Anticipating that the extension of the act and the action on the proposed charter for the International Trade Organization would be before the Congress during this session, the Senate Committee on Finance, a year ago, conducted extensive preliminary hearings on the subject. These hearings were held because the interlocking relationship between the act, the Geneva agreement, which was in the offing, and the proposed charter for the International Trade Organization, was thoroughly understood by the Senate.

The provisions of the Geneva multilateral trade agreement make entirely clear the inextricable relationships between the three matters which have been mentioned, from which it follows that

whether we do or do not approve the proposed charter for the International Trade Organization, revisions will have to be made in the Reciprocal Trade Agreements Act in order to conform it and to make it supplemental to the proposed charter, if it should be adopted, or to conform it to or to delimit nonconformance with the Geneva agreement, if the proposed charter is not adopted.

This should not and will not be allowed to stand on mere assertion. Let me emphasize at this point that the proposed charter for the International Trade Organization has not been submitted to Congress and will not be submitted until next year.

I ask the close attention of the Senators, because I propose now to demonstrate the inextricable relationship between the Trade Agreements Act, the Geneva multilateral trade agreement, and the proposed International Trade Organization's charter, and that this condemns an extension of more than 1 year.

I read from article 29, appearing on page 62 of the General Agreement on Tariffs and Trade, the so-called multilateral Geneva trade agreement. The article is entitled "Relation of This Agreement to the Charter for an International Trade Organization":

1. The contracting parties, recognizing that the objectives set forth in the preamble of this agreement can best be attained through the adoption, by the United Nations Conference on Trade and Employment, of a charter leading to the creation of an International Trade Organization, undertake, pending their acceptance of such a charter in accordance with their constitutional procedures, to observe to the fullest extent of their executive authority the general principles of the draft charter submitted to the Conference by the Preparatory Committee.

2. (a) On the day on which the charter of the International Trade Organization enters into force, article I and part II of this agreement shall be suspended and superseded by the corresponding provisions of the charter: *Provided*, That within 60 days of the closing of the United Nations Conference on Trade and Employment any contracting party may lodge with the other contracting parties any objection to any provision or provisions of this agreement being so suspended and superseded; in such case the contracting parties shall, within 60 days after the final date for the lodging of objections, confer to consider the objection in order to agree whether the provisions of the charter to which objection has been lodged, or the corresponding provisions of this agreement in its existing form or any amended form, shall apply.

(b) The contracting parties will also agree—

I interpolate to say that the contracting parties are all parties who signed the Geneva agreements—

The contracting parties will also agree concerning the transfer to the International Trade Organization of their functions under article XXV.

3. If any contracting party has not accepted the charter when it has entered into force, the contracting parties shall confer to agree whether, and if so, in what way, this agreement, insofar as it affects relations between the contracting party which has not accepted the charter and other contracting parties, shall be supplemented or amended.

Remember, I am double-riveting the point that the proposed Charter, the Geneva Agreement, and the Trade Agreements Act, which we propose to amend, are so inextricably tied up together that they must have unified consideration, one over-all review, and we cannot have it until next year, because we do not have the proposed Charter before us, and will not have it until next year.

Mind this paragraph, please:

4. During the month of January 1949, should the Charter not have entered into force, or at such earlier time as may be agreed if it is known that the Charter will not enter into force, or at such later time as may be agreed if the Charter ceases to be in force, the contracting parties shall meet to agree whether this agreement shall be amended, supplemented, or maintained.

I skip the final paragraph of that article. I shall now read from article 25, which commences on page 58 of the General Agreements on Tariffs and Trade, the multilateral Geneva trade agreement. This is called Joint Action by Contracting Parties, and reads:

1. Representatives of the contracting parties shall meet from time to time for the purpose of giving effect to those provisions of this agreement which involve joint action, and, generally, with a view to facilitating the operation and furthering the objectives of this agreement. Wherever reference is made in this agreement to the contracting parties acting jointly they are designated as the contracting parties.

2. The Secretary General of the United Nations is requested to convene the first meeting of the contracting parties which shall take place not later than March 1, 1948.

3. Each contracting party shall be entitled to have one vote at all meetings of the contracting parties.

4. Except as otherwise provided for in this agreement, decisions of the contracting parties shall be taken by a majority of the votes cast.

5. In exceptional circumstances not elsewhere provided for in this agreement, the contracting parties may waive an obligation imposed upon a contracting party by this agreement: *Provided*, That any such decision shall be approved by a two-thirds majority of the votes cast and that such majority shall comprise more than half of the contracting parties. The contracting parties may also by such a vote—

(a) define certain categories of exceptional circumstances to which other voting requirements shall apply for the waiver of obligations—

“For the waiver of obligations”—

and (b) prescribes such criteria as may be necessary for the application of this paragraph.

Without arguing it—this is not the time to argue it; the time to argue these matters will be when we have the proposed Charter before us—it must be perfectly evident from the article which I have read that a self-respecting claim can be made that we have now subjected the making of our trade agreements to delegations of power in the second degree. The Congress has delegated its power to the President, the President has delegated his power to the contracting parties, and the contracting parties, by a majority vote or by a two-thirds vote, may make decisions of utmost significance, so far as our trade relations are concerned.

I repeat, this is no time to settle the validity of that. I am making no contention as to whether it is valid or is not valid. The time to consider it in connection with this agreement and the time to consider it in connection with the proposed Charter and the time to consider it in connection with the Trade Agreements Act is when all three are before us, and they cannot be before us until next year.

Let me now read from article 23, found on page 54 of the Geneva agreement:

1. If any contracting party should consider that any benefit accruing to it directly or indirectly under this agreement is being nullified or impaired or that the attainment of any objective of the agreement is being impeded as the result of (a) the failure of another contracting party to carry out its obligations under this agreement, or (b) the application by another contracting party of any measure, whether or not it conflicts with the provisions of this agreement, or (c) the existence of any other situation, the contracting party may, with a view to the satisfactory adjustment of the matter, make written representations or proposals to the other contracting party or parties which it considers to be concerned. Any contracting party thus approached shall give sympathetic consideration to the representations or proposals made to it.

2. If no satisfactory adjustment is effected between the contracting parties concerned within a reasonable time, or if the difficulty is of the type described in paragraph 1 (c) of this article, the matter may be referred to the contracting parties. The contracting parties shall promptly investigate—

Let me interpolate, we are talking about the fate of our own exports and our own imports, we are talking about the exports and imports of all the countries who joined the Geneva agreement.

The contracting parties shall promptly investigate any matter so referred to them and shall make appropriate recommendations to the contracting parties which they consider to be concerned—

“Which they considered to be concerned”—

or give a ruling on the matter, as appropriate. The contracting parties may consult with contracting parties, with the Economic and Social Council of the United Nations, and with any appropriate intergovernmental organization in cases where they consider such consultation necessary. If the contracting parties consider that the circumstances are serious enough to justify such action, they may authorize a contracting party or parties—

I interpolate again, this may include the United States of America, as well as any other party.

They may authorize a contracting party or parties to suspend the application to any other contracting party or parties of such obligations or concessions under this agreement as they determine to be appropriate in the circumstances. If the application to any contracting party of any obligation or concession is in fact suspended, that contracting party shall then be free, not later than 60 days after such action is taken, to advise the Secretary-General of the United Nations in writing of its intention to withdraw from this agreement and such withdrawal shall take effect upon the expiration of 60 days from the day on which written notice of such withdrawal is received by him.

Again, I am not arguing whether this is a valid inclusion in the Geneva trade agreement, but certainly it is manifest

from what has been read that what is being done, for better or worse, depending upon the way one looks at it, is a revolutionary departure from our past trade practices, and the only time, I repeat, when the merits of it can be considered will be when this complementary document is before us, the document from which this provision is taken, to wit, the proposed charter for international trade.

Let me read another article. I am reading article 16, page 41. I will say for the benefit of Senators who have come into the Chamber since the debate opened that we are making a summary examination of the Geneva multilateral trade agreement, to demonstrate that that agreement, and the proposed charter for the International Trade Organization, and the Trade Agreements Act, are inextricably bound together, and cannot be considered at this time, and cannot be considered until next year because the proposed charter is not before us and will not be before us until next year.

Now here is a very significant article. It is article XV, entitled “Exchange Arrangements”:

1. The contracting parties shall seek cooperation with the International Monetary Fund to the end that the contracting parties and the fund may pursue a coordinated policy with regard to exchange questions within the jurisdiction of the fund and questions of quantitative restrictions and other trade measures within the jurisdiction of the contracting parties.

2. In all cases in which the contracting parties are called upon to consider or deal with problems concerning monetary reserves, balances of payments, or foreign exchange arrangements, they shall consult fully with the International Monetary Fund.

Note this, please.

In such consultation, the contracting parties—

I interpolate again to remind the Senate that these provisions apply to the United States of America as well as all other countries which have joined the agreement.

In such consultation, the contracting parties shall accept all findings of statistical and other facts presented by the fund relating to foreign exchange, monetary reserves and balances of payments, and shall accept the determination of the fund as to whether action by a contracting party in exchange matters is in accordance with—

Not with this agreement, from which I am reading, not with the Trade Agreements Act, but is in accordance with—

the articles of agreement of the International Monetary Fund, or with the terms of a special exchange agreement between that contracting party and the contracting parties. The contracting parties, in reaching their final decision in cases involving the criteria set forth in paragraph 2 (a) of article XII, shall accept the determination of the fund as to what constitutes a serious decline in the contracting party's monetary reserves, a very low level of its monetary reserves, or a reasonable rate of increase in its monetary reserves, and as to the financial aspects of other matters covered in consultation in such cases.

Let me repeat—and I do not argue whether this is something which we should or should not approve—that here

we have a delegation in the third degree of the tariff-making powers which are exclusively lodged in the Congress of the United States under the Constitution. We delegate the powers to the President—in the first degree. He delegates to those who have signed these agreements—in the second degree. They delegate to the monetary fund—in the third degree. Perhaps we will approve it. This provision is taken in the exact words from the proposed charter, which is not before us. Perhaps we will approve that charter. Perhaps we will approve this provision. Perhaps we will want to limit it. But, I repeat, we cannot give intelligent attention to the matter until all three are before us next year.

I think I have gone into the reading of the Geneva Agreement sufficiently.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MILLIKIN. Gladly.

Mr. IVES. It has been stated, I believe, that none of the agreements now in force will be affected by legislation which would be applicable for only 1 year. Is that correct?

Mr. MILLIKIN. That is entirely correct.

Mr. IVES. Are there any agreements now in force or any which are likely to be the subject of negotiation which will require action prior to July 1, 1949?

Mr. MILLIKIN. The Secretary of State said unequivocally that at the present time the Department does not have any agreement in mind. He mentioned, in a sort of passing manner, Greece. Later he mentioned three or four other countries, Ireland, possibly Austria, possibly Italy, and another small country. But none of those would be interfered with in any way whatsoever by the bill if the Department should undertake to open negotiations.

Mr. IVES. Then anyone or all of those particular countries might come to us for agreements during the ensuing year?

Mr. MILLIKIN. Exactly; and without the slightest impairment of the privilege.

Mr. IVES. I thank the Senator.

Mr. MILLIKIN. I should like to repeat that the bill does not adversely affect in any way any of our existing trade agreements, including the Geneva Multilateral Agreement. The report of the committee makes it very clear that we reserve until next year consideration of the various general regulatory provisions in the Geneva Agreement.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. HAWKES. I do not know whether the Senator from Colorado has touched on this point, because I came into the Chamber only recently, but I was wondering if he realized that in the Campaign Book of the Democratic Party—Candidates and Issues, 1932, Democratic statesmen and orators were advised to tell the people of the Nation as follows:

THE DEMOCRATIC THEORY

The Democratic theory of tariff taxation is based upon the necessity of providing revenues to the government—hence the phrase "a tariff for revenue only"—and providing fair competition between imported and do-

mestic products, without injury to legitimate domestic industries, and safeguarding of interests of labor.

The present Democratic attitude on the tariff is expressed as follows in the national platform adopted at Chicago—

In 1932.

Mr. MILLIKIN. Which was said to be the best platform that was ever adopted.

Mr. HAWKES. I might state, Mr. President, that after I saw it I made the statement to 500 people in New Jersey that it was the best platform I had ever seen, and that I hoped it would be adhered to.

This is what they said in the Democratic platform adopted in 1932 at Chicago:

We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from executive interference, reciprocal tariff agreements with other nations, and an international economic conference designed to restore international trade and facilitate exchange.

I call the attention of the distinguished Senator from Colorado, with whom I am in perfect agreement regarding his amendment on reciprocal trade agreements as being the best thing and the wisest thing we can do at the present time—I call his attention again to the fact that the Democratic platform of 1932 said:

We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from executive interference.

I ask the distinguished Senator from Colorado if that is not exactly what we are advocating in this amendment.

Mr. MILLIKIN. That is exactly what we are advocating in this amendment.

Mr. HAWKES. Except it does not go quite so far.

Mr. MILLIKIN. And it will be very useful in this debate later on when the attacks are made upon the Tariff Commission and its ability to handle the job which we are giving to it. I hope that at that time the Senator from New Jersey will bring forward that Democratic platform provision.

Mr. HAWKES. I hope the Senator from Colorado does not feel that I have brought it forward at the wrong time now. I did so because I feel it should be in the mind of every Member of the Senate.

Mr. MILLIKIN. No; I think it is effective now, and will be even more effective in rebuttal.

Mr. HAWKES. I thank the Senator from Colorado.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. IVES. I should like to raise with the Senator a question which perhaps he will include in his remarks. But I should like to obtain an answer if he does not intend to make a statement regarding it. Section 3, on page 7, provides the procedure which is to be followed before the President may act. In other words, he has to furnish to the Tariff Commission the list of articles and so forth with respect to which it is contemplated that such agreement is to be made. Then finally, on page 8, in line 3, it is provided:

No such foreign trade agreement shall be entered into until the Commission has made its report to the President.

It seems to me that this is something which might provide, unwittingly, to be sure, a veto over action by the President. Does the Senator intend to discuss that question?

Mr. MILLIKIN. Yes.

Mr. IVES. If the Senator intends to cover it, he does not need to answer my question; but I think it is a very important point. I do not believe that there should be anything in the proposed legislation which would thus provide a veto over action by the President.

Mr. MILLIKIN. There is nothing in the bill, nothing in the proposed amendments, which would give any veto over any action the President might take with respect to reciprocal trade agreements.

Mr. IVES. Mr. President, will the Senator further yield?

Mr. MILLIKIN. I yield.

Mr. IVES. Perhaps the Tariff Commission might decide that it did not care to report back. On that basis the President would be prevented from taking action, would he not?

Mr. MILLIKIN. We thought somewhat of placing a time limitation in the bill.

Mr. IVES. Why is not that feasible?

Mr. MILLIKIN. We did not place such a limit in the bill because the proposals as they come to the Commission require varying amounts of time for making the investigations and reports. I believe that the Tariff Commission understands that we want prompt action, and want the Commission to get its reports to the President as rapidly as possible. I do not for a moment believe that the Tariff Commission would develop lead in its shoes on that subject.

Mr. IVES. Mr. President, will the Senator further yield?

Mr. MILLIKIN. Let me add this further remark: The President, under his own Executive order, which now gives the Tariff Commission the exclusive role of making reports and giving advice as to the escape clause, does not place any time limitation on the Tariff Commission.

Mr. IVES. So far as that is concerned, as I understand, the President would not be in any way prevented from going ahead under the provisions as they now exist. As the act now stands, under any Executive order he may make he is independent. But under this proposed provision he would be utterly dependent upon action by the Tariff Commission. It seems to me that a reasonable limit as to time might well be provided, with the understanding that if the Tariff Commission were not able to obtain the information and present it within such period of time, perhaps an additional period, up to a certain point, might be allowed, after which it seems to me the President should be allowed to proceed.

Mr. MILLIKIN. We considered that question, and concluded that a fixed time limit might not be desirable because different proposals take varying lengths of time. We felt that the Tariff Commission, on its own steam, would move with expedition. We felt that if it did not,

it would be violating the provision of the act which says that upon receipt of such list the Commission shall make an investigation and report to the President.

Mr. IVES. It also says, does it not, that no such foreign-trade agreement shall be entered into until the Commission has made its report to the President?

Mr. MILLIKIN. That is correct.

Mr. IVES. That seems to me to require more clarification and more protection from the standpoint of the country than is provided in the terms contained in the bill.

Mr. MILLIKIN. Would it be agreeable to the Senator if the language were, "upon receipt of such list the Commission shall with utmost expedition make an investigation and report to the President its findings"?

Mr. IVES. I cannot see that that would remedy the difficulty. Why could not a provision be placed in the bill requiring that within 3 months, for example, the Tariff Commission must report back; and if it finds it impossible to report back in that period of time, perhaps several extensions of 30 days each might be granted, depending upon the way in which the act might be intended to work?

Mr. MILLIKIN. Let me suggest to the Senator that he put his mind on the question and draw up phraseology which we may consider.

Mr. GEORGE. Mr. President, will the Senator yield while the Senator from New York is present?

Mr. MILLIKIN. I yield.

Mr. GEORGE. Not only must the Tariff Commission make a report, but it must make it necessarily by majority vote. In other words, six members of a bipartisan commission must report to the President before he is authorized to proceed at all to negotiate any trade agreement with another nation.

Mr. MILLIKIN. It seems to me that the Commission's duties in this respect are the same as its duties in all other respects, so far as its members are concerned. I assume that the Commission acts by majority vote. There is no requirement that it act by unanimous vote. So I believe we can consider that it would follow the usual procedures.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. FLANDERS. I should like to say first that I am one of those who have been concerned with the point just raised by the Senator from New York [Mr. Ives]. At this time I wish to inquire of the Senator from Colorado whether he will at a later time in his discourse take up another point with which some of us are concerned. It has to do with the certain references in three places in the bill.

First, I refer to line 23 on page 7. The language is:

Without causing or threatening serious injury to domestic producers of like or similar articles.

This language would give protection to inefficient marginal producers. It seems to me and to some others that that is an objectionable criterion. If the

industry as a whole is threatened, that is one thing. If the marginal producers in the industry are threatened, that is quite another thing. This particular point gives me serious concern, and I know that it has caused other Senators concern. I am wondering if the Senator is prepared, at a later point in his discussion, or now, to address himself to that question.

Mr. MILLIKIN. I shall address myself to that point. Let me say now that the language in the President's Executive order is precisely the same so far as using the escape clause is concerned, and that the Executive order and the procedures adopted by the Tariff Commission make it very clear that great leeway is available for the exercise of good sense. I do not believe for one moment that the extreme high-cost fringe of domestic producers would be the test of injury to all domestic producers. From an examination of the regulations which are already in effect, it is clear that the Tariff Commission does not operate under any such criterion.

Mr. FLANDERS. I am not speaking for anyone else, but only for myself. I care not what weight of authority is behind those words—whether the President, the Supreme Court, the Pope, or any higher authority, if there be such—the words are not good.

Mr. MILLIKIN. When it comes to framing such a provision, we find the same difficulty, regardless of what words we select. Being unable to look into the future under all the circumstances which will be presented to the Tariff Commission, it is very difficult to attempt to delineate a precise formula and specify where the cut-off point shall be with respect to the other fringes of high-cost producers. In the end it comes down to the judgment and good sense of the Tariff Commission. If we do not like the provision in operation we can change it.

I should like to add also that we had in mind the language which the executive department now uses in the application of the injury test in connection with the use of escapes.

Mr. FLANDERS. It seems to me that the use of such words as "threatening serious injury to industries engaged in the domestic production of like or similar articles" would tend to close the door on objectionable possibilities.

Mr. MILLIKIN. I should like to make the further suggestion that in using the word "industries," we would be likely to confine ourselves to what we call manufacturing industries. The word "producers" takes in manufacturing industries and also takes in agricultural producers. I think it has been deliberately chosen by the President for that purpose. It is deliberately chosen by us for that purpose.

Mr. President, from what has been read, it is crystal clear that the Geneva agreement has been explicitly tied to the proposed charter; that a part of the proposed charter has been incorporated bodily into the Geneva agreement; that it is manifest that revolutionary departures from past world-trade practices have been incorporated in the Geneva

agreement and are in the proposed charter; that nothing of the kind is spelled out in the act which we propose to extend on our part here today; and that good faith contention is available that the act which we propose to amend does not carry implications broad enough on which to base that which has been done at Geneva; that if the Congress shall accept these departures, authority will have to be spelled out in the act; and that there will have to be accompanying revisions of some of our significant domestic legislation. Therefore, it is again suggested that there is no point in an extension that would carry past the time in which revision of some kind will have to be made.

Also, it is again emphasized that our inability to make whatever revisions may be necessary derives solely from the fact that the proposed Charter of the International Trade Organization has not been submitted and will not be submitted until next year. Moreover, the fact that those who oppose the bill with its proposed amendments do not believe that the heavens will fall on a 1-year extension will be evidenced before the day is over by the offer of an amendment for an extension of precisely that length of time.

As to the claim that the bill mandates a single standard—noninjury to domestic producers—for making an agreement, this is easily refuted by the bill and the proposed amendments. The bill does not say so. On the contrary, section 3 (c) of the bill maintains the direction to the President contained in section 4 of the act that before concluding a trade agreement—

the President shall seek information and advice with respect thereto from the Departments of State, Agriculture, and Commerce, the National Military Establishment, and from such other sources as he may deem appropriate.

Mr. SMITH. Mr. President, will the Senator yield at this point?

The PRESIDING OFFICER (Mr. Ecton in the chair). Does the Senator from Colorado yield to the Senator from New Jersey?

Mr. MILLIKIN. I yield.

Mr. SMITH. Does not the Senator agree with me that, in addition to the groups mentioned there, one of the most important considerations will be the development of the Economic Cooperation Administration—in other words, the administration of the Marshall plan—and what we do with the cooperating nations abroad? Therefore, would not it be advisable to add to the group of whom the President should seek information and advice the Administrator and the staff of the Economic Cooperation Administration?

Mr. MILLIKIN. I suggest that is not advisable because it is not necessary. Advice is already required of the State Department. The State Department is the channel through which we operate, so far as those matters are concerned. In other words, I think the direction is complete, so far as it is now covered by the words of the bill. We name the specific departments, including the State Department, and then we say "and from

such other sources as he may deem appropriate."

So obviously the President would be at liberty to talk to anyone and to hear anyone on any phase of the subject, and to make up his mind on the basis of everything that is presented to him.

Mr. SMITH. I merely feel that it is important to dramatize that connection with the Economic Cooperation Administration; and also in connection with the point the Senator is making—that only a 1-year extension can be made now because of the International Trade Organization development—I wish to point out that I agree that all of them are wrapped up together.

Mr. MILLIKIN. I thank the Senator for the suggestion, because it is well understood that the Economic Cooperation Administration program will come under complete review next year.

Mr. SMITH. That was my point in asking the question. I understand from the bill, as the Senator has said, that provision is made in the bill that the President shall seek information and advice from the State Department and the Department of Commerce, and of course both of them are concerned with the Economic Cooperation Administration development. I wish to point out that the Economic Cooperation Administration is intimately connected with this whole development, as I shall discuss later in my remarks.

Mr. MILLIKIN. I wish to say to the Senator that I do not desire to argue anything here today that would derogate in any way the President's authority to consult any source of advice that he may regard as advisable.

Mr. President, I was addressing myself to the objection that the bill mandates a specific, single standard, to wit, non-injury to domestic producers. However, on the contrary, the bill specifically recognizes that the President may not adhere to the noninjury test, when it requires under section 5 (a) that if the President does not do so he shall state his reasons to the Congress.

As to the claim that costs of production would be the sole inquiry of the Tariff Commission, and that this is impractical under the present state of the world's economy, I point out that the bill does not fix upon the Tariff Commission any particular method for determining the peril points.

The bill provides in section 3 (a):

Upon receipt of such list the Commission shall make an investigation and report to the President the findings of the Commission with respect to each such article as to (1) the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of such section 350—

Section 350, I may interpolate, is the main provision of the existing Reciprocal Trade Agreements Act—

without causing or threatening serious injury to domestic producers of like or similar articles, and (2) if increases in duties or additional import restrictions are required to avoid serious injury to domestic producers of like or similar articles, the minimum increases in duties or additional import restrictions required.

There is not a word there, not a word anywhere in the act, limiting the President to the consideration of any standard.

Moreover, the Tariff Commission has already set up its procedures for determining peril points. The Commission under Presidential order is the sole agency to advise the President as to whether escapes should be taken.

Under date of February 24, 1948, Mr. Oscar B. Ryder, Chairman of the Tariff Commission, sent to the chairman of the House Ways and Means Committee a report on "Procedure and criteria with respect to the administration of the escape clause in trade agreements." This report is set out in full in the report of the hearings. It commences on page 125 and runs through page 132. The criteria regarding injury to domestic producers is dealt with at length commencing on page 129 and running through page 131.

In brief, cost of production is only one of an indefinite number of factors which may be considered.

Listed among the factors are "Trend of ratio of imports to domestic production, costs of production, price trends and conditions of supply and demand."

On page 130, it clearly appears that the Commission recognizes the difficulties involved and will have to limit itself, so far as the cost of production is concerned, to information which is readily available.

The conclusion of the report tells the whole story. It completely refutes any objection which may be made that we are trying to limit the President's consideration to one item, to one test. It appears on page 131 of the RECORD, as follows:

An attempt has been made in this report to state in general terms the nature of the criteria which the Tariff Commission believes will enable it to form a judgment as to whether or not the escape clause should be invoked and, if invoked, the character of the relief, if relief is found warranted, which should be afforded. Such a statement cannot be all-inclusive. American industry and agriculture are too large and too varied to permit at this time more than an indication of the various types of situations which might warrant action under the clause.

Remember please, we are talking about the escape clause, and the escape clause is invoked for injury to domestic producers, or the threat thereof.

The Commission will be receptive to any evidence offered by producers, importers, or others regarding the relationship between imports and domestic production that may have a bearing on the effect of increased competition resulting from a concession made in a trade agreement. It does not intend by this report to suggest the exclusion of any information which interested parties may consider relevant.

I add at this point that nothing in this bill prevents anyone from consulting the Tariff Commission or prevents the Tariff Commission from giving information to any executive department.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield gladly.

Mr. CONNALLY. Does the Senator refer to the substitute bill offered by the Senator or to the original House bill?

Mr. MILLIKIN. I refer only to the bill as it is now before the Senate, which consists of a substitute amendment to the House bill.

Mr. CONNALLY. I assumed that, but the Senator said "this bill."

Mr. MILLIKIN. I am very glad to have the Senator's correction. We have not accepted the House version. We have excluded from the House version the provision which would have brought a trade agreement back to Congress for review and for possible veto had peril points been exceeded.

As to the argument that the bill would overburden the Tariff Commission and that the Commission is not competent to give advice on peril points: Mr. Ryder, Chairman of the Tariff Commission, and Mr. Gregg, a member of the Commission, effectively disposed of this argument. From the record of the hearings at page 116, I quote:

The CHAIRMAN. The whole number of items involved in the multilateral agreements.

Mr. RYDER. For all countries?

The CHAIRMAN. For all countries.

Mr. RYDER. I have never counted them.

The CHAIRMAN. What was the figure?

Mr. MARTIN.—

Mr. Martin is connected with the Tariff Commission.

Mr. MARTIN. I think I have seen 45,000.

Mr. RYDER. That seems large to me.

The CHAIRMAN. In view of the generalization of benefits, it is in the whole subject. We have to study the ramifications of the general subject; do we not?

Mr. RYDER. Yes; of course. It depends on how you count the items.

The CHAIRMAN. So you submitted, so far as items directly affecting the United States were concerned, subject to negotiation between the United States and other countries, some 3,000 or more.

Mr. RYDER. Some 1,400 or more the way we counted them. We probably covered a number of classified items, if you want to count those as items.

The CHAIRMAN. Did you hear the testimony yesterday—

Mr. RYDER. No.

The CHAIRMAN. That there are no important trade agreements in the offing?

Mr. RYDER. No; I didn't hear the testimony yesterday.

The CHAIRMAN. That was testified. I think there was some mention of a possible agreement with Greece. I have heard outside of the testimony that there might be something with Portugal.

If preparing digests which I assume are to be used as the basis for conclusions as to whether domestic industry would be injured, if preparing that digest on the scale which you have just mentioned, did not frustrate your Commission, would asking you over the next year or so to prepare digests and possibly reach opinions on the items that would be included in an agreement with, we will say, Greece or Portugal, send you up into a tailspin over there?

Mr. RYDER. If you had only agreements with countries like Portugal and Greece, a few countries like those, in negotiations which involved only a few items, the preparation of the digest would be very simple.

The CHAIRMAN. You gentlemen could do that coming up out of a sound sleep with one-half of one lobe of your brain.

Mr. RYDER. That is a little exaggeration, but it wouldn't be much of a job for small countries of that kind.

Mr. John P. Gregg, a member of the Commission, under date of May 28, 1948,

wrote the following letter to the chairman of the Finance Committee. It appears on pages 134-135 of the record. It is very significant. I quote:

UNITED STATES TARIFF COMMISSION,
Washington 25, D. C., May 28, 1948.
HON. EUGENE D. MILLIKIN,
Chairman, Committee on Finance,
United States Senate:

DEAR SENATOR MILLIKIN: I am taking the liberty of writing you about H. R. 6556, the Gearhart bill, which I understand is now before the Finance Committee of the Senate. The comments and suggestions which follow express only my personal views and do not necessarily reflect any opinions which may be held by the other members of the Tariff Commission. I am led to do this both in order that any suggestions this letter may contain may receive such consideration as you may desire to give them, and to correct any impression which may have arisen that the views expressed by the Chairman of the Tariff Commission in his personal letter to Mr. DOUGHTON of May 17, 1948, represent the views of the entire Commission.

My principal difficulty with Chairman Ryder's letter to Mr. Doughton arises from the discussion in paragraph 7 as to whether H. R. 6556 will enable the Commission to render a better public service than it now performs. I do not agree that to charge the whole Tariff Commission with responsibility for giving advice to the President as to the extent to which a rate may be raised or lowered without serious injury to a domestic industry, if carried out, would be inconsistent with the Commission's present functions and obligations or damaging to its position as a bipartisan, fact-finding agency of the Government.

The Trade Agreements Act itself requires the President to seek the information and advice of the Tariff Commission prior to the negotiation of any agreement. As you know, the Commission and its staff already make available to the President and the negotiating authorities detailed information with respect to each of the products upon which changes in rates in the negotiation of a trade agreement are considered. Certainly this part of the law can reasonably be interpreted also to require that the Tariff Commission advise the President how much of a change in a rate of duty can safely be made without serious injury to American industry. The expressed views of the President and the State Department throughout the past 14 years have been to the effect that it is not proposed to make changes in rates which would seriously damage domestic producers, and that principle is clearly implied in Executive Order 9832 which resulted from the discussions last year between the President, Senator VANDENBERG, and yourself.

Obviously it would be practically unwise to proceed with negotiations without having the best judgment available on this critical subject. As a matter of fact, however, the procedure and machinery established under which advice is made available to the President and the negotiating authorities do not provide that the Tariff Commission as such shall give advice of this character to the negotiating authorities. Recommendations on this matter are made by the Interdepartmental Committee on Trade Agreements on which, to be sure, a member of the Tariff Commission sits. Such advice, however, as he may give as a member of the Interdepartmental Trade Agreements Committee is his own individual opinion and is not the result of Commission action; so far as I know, it never has been during the 14 years that the Trade Agreements Act has been in operation. The bill now before your committee corrects this situation and it is my opinion that this should be done. I feel strongly that the President and the negotiating authorities should have the advice of the whole Com-

mission and not that alone of one or more individual members.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. IVES. Apropos the question I raised a short time ago regarding what seemed to me to be the veto power of the Commission over action by the President, I am wondering if the able Senator from Colorado would be willing to accept an amendment at the end of line 2, on page 8 of the bill, between lines 2 and 3, consisting of this sentence:

Such report shall be made by the Commission to the President not later than 120 days after the receipt of such list by the Commission.

Also, in the following line, line 4, strike out the semicolon and insert the word "or", so that the language then will read, beginning on line 3:

No such foreign-trade agreement shall be entered into until the Commission has made its report to the President or until the expiration of the 120-day period.

Mr. MILLIKIN. I shall be very glad to submit the amendment to our legislative counsel. I may say that generally speaking I have no objection to a limitation of that kind. It may be that 120 days will not be sufficient, because the Commission has to send notices, and persons notified have to get ready to appear before it for hearings, and there has to be time for hearings, in addition to the Commission's other background work. Generally speaking, I would accept an amendment along that line. I shall submit it to our legislative counsel. Let me suggest that we have a discussion later in the day, and I have no doubt we can agree on what should be put in.

Mr. IVES. I thank the Senator from Colorado.

Mr. MILLIKIN. Let me continue to read the letter from Mr. Gregg—

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. O'MAHONEY. Will it interrupt the Senator if I should ask a question?

Mr. MILLIKIN. I shall be very glad to yield.

Mr. O'MAHONEY. I wish to call attention to the language of section 3 of the bill which defines the duties of the Tariff Commission. I read:

Upon receipt of such list the Commission shall make an investigation and report to the President the findings of the Commission with respect to each such article as to (1) the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of such section 350 without causing or threatening serious injury to domestic producers of like or similar articles.

In the committee's report, on page 4, a quotation from the testimony of Mr. Clayton is found, and at the end of the first paragraph there is this sentence:

If, however, there is any doubt in any one's mind regarding the use of the act to seriously injure American industry, this doubt should be completely dispelled—

And so forth. I call the attention of the Senator from Colorado to the fact that there is a broad difference between the language of section 3 and the lan-

guage used by Mr. Clayton. Section 3 directs the Commission to file its report with respect to injury to domestic producers of like or similar articles, whereas Mr. Clayton disavows any purpose in the act seriously to injure American industry. The latter language, of course, is much more inclusive than is the language of the bill.

Mr. MILLIKIN. I respectfully suggest that it is much narrower than the language of the bill. For example, the word industry is often construed to exclude agriculture. Producers include both industry and agriculture. The word producers has been deliberately used for that purpose and is the word which is used in the executive regulations in connection with the escape-clause procedure.

Mr. O'MAHONEY. I was not referring to the exclusion of agriculture. I was referring to the fact that when one speaks of American industry, such as the steel industry, the leather industry, or the manufacturing industry, one is speaking of the particular industry in its all-inclusive scope.

Mr. MILLIKIN. Yes.

Mr. O'MAHONEY. Whereas, if one refers to domestic producers, he refers to them as individuals. Is it the intention of the committee, in recommending section 3, that the Tariff Commission shall report to the President that trade agreement X, for example, if carried into effect as proposed, would result in serious injury to producers 1, 2, and 3, as individuals, instead of to the whole industry which is affected?

Mr. MILLIKIN. The intention is to relate to the class of producers producing a certain type of article, rather than to individual producers within that class.

Mr. O'MAHONEY. So that it is not the intention of the committee that this section should be interpreted to mean that the Tariff Commission would be obliged to report that some high-cost individual producer would be seriously affected, but it would be required to report only with respect to the entire industry. Is that correct?

Mr. MILLIKIN. The Commission, of course, would hear or have the privilege of hearing such a high-cost member of a given class of producers, but it would not be required to base its recommendation on the facts found in that particular part of that productive business.

Mr. O'MAHONEY. Then it is not the intention of the committee, in submitting this language, to block an agreement merely because one or two individuals in a particular industry who may chance to be inefficient or who may be high-cost producers, would be injured?

Mr. MILLIKIN. It has not that intention. What the Commission finds from one or two producers may furnish evidence for that particular producing class; but, specifically, this language does not give relief to individual producers and does not require blocking an agreement because a particular producer is suffering injury.

Mr. SMITH and Mr. LUCAS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Colorado yield, and, if so, to whom?

Mr. MILLIKIN. I yield first to the Senator from New Jersey.

Mr. SMITH. In connection with the point raised by the Senator from Vermont [Mr. FLANDERS], it seems to me, that instead of saying "domestic producers" the language be "domestic production of like or similar articles." That would take care of the point the Senator from Vermont raised.

Mr. MILLIKIN. I respectfully suggest that if there is serious injury to domestic production of "like or similar articles," the same question would arise which was raised by the distinguished Senator from Wyoming.

Mr. SMITH. I think the Senator, then, is distinguishing between an industry as a whole and the individual producer. I am troubled with the same question the Senator from Vermont raised, that a weak marginal producer may be protected by the language of the bill, and it seems to me we do not want to do that.

Mr. MILLIKIN. What we intend to do is to allow the Commission, as it does now under existing laws, to determine whether a particular class of producers as a whole is being injured or threatened with injury. I think the bill is adequate for that purpose.

Mr. SMITH. I am not clear why the word "production" would not cover that, instead of the word "producers."

Mr. MILLIKIN. Let me think that over further.

Mr. LUCAS. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield to the Senator from Illinois.

Mr. LUCAS. Does the Senator believe that under the language the Commission would have no right to take into consideration injury or threat of injury to a producer?

Mr. MILLIKIN. I think I made it very clear that in obtaining the evidence the Commission must necessarily listen to all individuals, but in making its recommendation it must translate its recommendation to the whole class. Thus an injury to a single businessman might or might not constitute a ground for affording relief for the entire class.

Mr. GEORGE. Mr. President, let me respectfully suggest to the distinguished chairman of the committee that the complainant is going to be someone who is injured, and is very likely to be a high-cost producer.

Mr. MILLIKIN. It is rather lengthy, but I should be delighted now to go into the way the Tariff Commission handles the matter now.

Mr. LUCAS. I am not talking about the way it does it now, I am talking about the language in the bill.

Mr. MILLIKIN. It follows this precise language.

Mr. LUCAS. If the Senator can show me that it follows the precise language, I should like to see it.

Mr. MILLIKIN. I shall do that.

Mr. LUCAS. That is one of the questions raised in the committee, as the

Senator well knows, by the able Senator from Ohio [Mr. TAFT].

Mr. MILLIKIN. I shall be very glad to do it before I have finished my discussion.

Mr. LUCAS. I undertake to say, if I may, that under the language of the bill the Tariff Commission will not necessarily be compelled to do what the Senator from Colorado suggests.

Mr. MILLIKIN. I wish to say to the distinguished Senator from Illinois that the purpose of the bill is as has been explained. The language of the bill follows the language of the Presidential escape clause order, and the procedures of the Tariff Commission make it very clear that they do not invoke the escape clause because a single person may be injured. The point is whether the whole class of producers, the particular class of producers, is being injured or is threatened with injury.

Mr. LUCAS. I do not agree with the Senator at all, and I contend seriously that under the language of the bill an inefficient producer of this country can be protected by the Tariff Commission if it so desires.

Mr. FLANDERS. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield to the Senator from Vermont.

Mr. FLANDERS. It is quite evident that the desire and intention of the Senator from Colorado are the same, and the purposes of the legislation are the same, as are those of the Senators who have been questioning the wording of the bill. In other words, there is no conflict of purpose whatever in what we are seeking to do. It seems advisable, if it is possible, to express more clearly the intent of the legislation, in spite of the fact that that intent may be carried out properly by an existing tariff board and existing administrative agencies, because it is always possible to have a change of personnel which goes back to the act and finds a lot of loose rope of which it has not yet made use.

I am afraid that I must ask—and I ask regretfully and apologetically—that the chairman will in a very few words explain his doubts about the language suggested by the Senator from New Jersey [Mr. SMITH]. The head of the Senator from Colorado was turned the other way when he responded to the Senator from New Jersey and I did not catch his response. It was as to changing the word "producers" to "production."

Mr. MILLIKIN. My main objection is that it contemplates the whole field of production, and we are not operating here in a basis of our entire economy.

Mr. FLANDERS. The Senator from Colorado is interested, is he not, in what happens to the chain of production of any given product, those producing the raw materials, those processing them, and perhaps those distributing them? Why is not the Senator interested in the entire chain? If one link is affected, then the whole chain is affected.

Mr. MILLIKIN. I am interested that there shall be no injury to our entire economy.

Mr. FLANDERS. Yes.

Mr. MILLIKIN. But the bill is focused on producer classes of our economy.

Mr. FLANDERS. But the language is "domestic producers of like or similar articles."

Mr. MILLIKIN. That is correct.

Mr. FLANDERS. If we say "domestic production," how does it do anything more than generalize the effect, rather than give the opportunity for misinterpretation of the intention of Congress to accede to the pleas of marginal and high-cost producers?

Mr. MILLIKIN. By way of a short cut, I may say that I shall be very glad to consider the suggestion, and refer it to the legislative counsel. Let us discuss it later.

Mr. FLANDERS. Another suggestion which I think should be thrown into the boiling legislative counsel pot is threat of serious injury to representative domestic producers, those who represent the general conditions of an industry rather than marginal ones.

Mr. MILLIKIN. I shall be glad to take that under consideration.

Mr. FLANDERS. I thank the Senator.

Mr. MILLIKIN. I thank the Senator for his constructive purposes.

As to the objection that the Tariff Commission will be subjected to pressure, I wish to finish my statement, and I prefer not to yield until I finish.

The bill does not authorize pressure. It authorizes public hearings. Section 3 (b) provides:

In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

The bipartisan nature of the Commission should provide a greater degree of insulation against pressure than does the Interdepartmental Committee, which may be entirely partisan. There would be no more pressure against the Tariff Commission than there would be against the panels which now hear the facts, and which, if the President desires, can continue to hear the facts.

In fact, Mr. Clayton destroyed this argument when he admitted that the Inter-Departmental Committee was subject to pressure.

During the hearings, the following colloquy occurred—page 475:

In the State Department we have been pulled and hauled by people from all sides. We have the people that make the movements and the labor unions that perform the work on one side demanding that we stop this great flow of movements from Switzerland. On the other side, we have the people who put the movements into the cases and sell the completed watch pulling and hauling, saying do not do it because you will ruin our business.

The CHAIRMAN. Mr. Clayton, we honor ourselves when we call you Senator.

Mr. CLAYTON. Did this sound like Congress?

The CHAIRMAN. May I make this little observation. You have made a "pulling and hauling" argument against the Tariff Commission, and now you admit that you are subject to all of these pullings and haulings.

Mr. CLAYTON. Yes; we are. We are.

Mr. President, because of the need for conserving the time of the proponents I shall now suspend for the time being and shall develop other points during the subsequent debate.

Mr. GEORGE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Georgia [Mr. GEORGE].

Mr. GEORGE. Mr. President, I shall not speak at length because I must leave soon.

Mr. HATCH. Mr. President, if the Senator from Georgia will yield for the purpose, I shall suggest the absence of a quorum.

Mr. GEORGE. I yield for that purpose.

Mr. HATCH. I suggest the absence of a quorum, and I ask that the time consumed in the calling of the roll be charged to the time which shall hereafter be allotted to me.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Myers
Baldwin	Hatch	O'Connor
Ball	Hawkes	O'Daniel
Barkley	Hayden	O'Mahoney
Brewster	Hickenlooper	Pepper
Bricker	Hill	Reed
Bridges	Hoey	Revercomb
Brooks	Holland	Robertson, Va.
Buck	Ives	Robertson, Wyo.
Butler	Jenner	Russell
Byrd	Johnson, Colo.	Saltonstall
Cain	Johnston, S. C.	Smith
Capehart	Kem	Sparkman
Capper	Kilgore	Stennis
Chavez	Knowland	Stewart
Connally	Langer	Taft
Cooper	Lodge	Taylor
Cordon	Lucas	Thomas, Okla.
Donnell	McCarthy	Thye
Downey	McClellan	Tobey
Dworshak	McFarland	Tydings
Eastland	McGrath	Umstead
Ecton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Feazel	Magnuson	Wherry
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Millikin	Williams
George	Morse	Wilson
Green	Murray	Young

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. GEORGE. Mr. President, I do not intend to speak at great length. I understand from the chairman of the committee that he wishes either to offer an amendment, or to have certain amendments considered. I shall bear that in mind in what I have to say.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. MILLIKIN. Before we reach the point of considering any substitute—

Mr. GEORGE. I will say to the Senator from Colorado that I do not intend to offer a substitute.

Mr. President, the Reciprocal Trade Agreements Act has been before the Senate from time to time since 1934, when it was first enacted; and from the beginning I have had something to do with each successive renewal or extension of the act. I feel very much like a lawyer who is called upon to try a case after it has been reversed three or four or five times by the upper Court. However, I wish to make some observations

regarding this particular proposal, and I hope they will be pertinent.

In the first place, I disclaim now, as I have disclaimed since 1934, that it was the view of those who proposed the Reciprocal Trade Agreements Act that this country should go to a completely free-trade basis. That has never been my view. It has always been my view that protection was necessary with respect to certain industries, and with respect to certain branches of agriculture.

I very well remember that in the long tariff fight of 1929 and 1930, when the Smoot-Hawley bill was enacted, the distinguished Senator Borah, of Idaho, voted against it. The distinguished Senator Norris, of Nebraska, voted against it, although they both believed in protection. I remember hearing the distinguished former Senator from Iowa, Mr. Cummins, rise in his place in the Senate and make the statement that although he was a life-long protectionist, he never had been able to vote, on final vote, for a single Republican tariff bill when it reached a vote in the Senate.

That was the situation which we faced after the 1930 tariff act. Something had to be done if we finally were to be able to extricate ourselves from the depression into which we had plunged with our tariffs. We did not want to bring a tariff bill back to the Congress for action, because we knew what that would mean. It is impossible to escape log-rolling. It is impossible to escape all the things that go with congressional consideration of a tariff bill, in a country so vast and varied, with industry so widespread. So, in 1934, we undertook to improve our trade relations with foreign countries through the Reciprocal Tariff Act.

It is well to note the real standard of that act, and compare it with the narrow obligation placed upon the Tariff Commission in the bill now presented. The language of the act is as follows:

For the purpose of expanding foreign markets for the products of the United States—

I omit certain language in parentheses which is now wholly immaterial—

by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time—

To negotiate new tariff rates between our country and foreign countries.

Let us take a look at the language of the bill:

Upon receipt of such list the Commission—

Meaning the United States Tariff Commission—

shall make an investigation and report to the President the findings of the Commission with respect to each such article as to (1)

the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of such section 350 without causing or threatening serious injury to domestic producers of like or similar articles.

The distinguished chairman of the committee says that does not deprive the President of his power to take the opinion of the Department of Labor, the Department of Commerce, the Department of Agriculture, the State Department, or any other agency of Government. So it does not, and I cheerfully concede it. But when the Tariff Commission alone is given the power to fix the upper and the nether millstones between which the President must operate, it is much like going over the head of the umpire and asking all nine of the players on the team what they think of a given play. What they think amounts to nothing; what the umpire says is the law, and prevails.

What the Tariff Commission would do in this case would be to fix the maximum and the minimum without regard to any other consideration than the plain and explicit language of this bill, if it should pass "without causing or threatening serious injury to domestic producers of like or similar articles."

It is true that under the bill the President can call on the Secretary of State; he can call on anyone on the street; he can call on all the economists in the United States; but the Tariff Commission, and the Tariff Commission alone, will say to him how high the rate shall be and how low it shall be. Within the limitations fixed, he must act, or else disregard altogether the findings of the Tariff Commission, and send his report to the Congress, and no President would ever dare take that course of action. No President would expose himself to the criticism and the virulent attack that would necessarily follow if he disregarded the solemn judgment of an agency of the Congress, to which the Congress would say, under the provisions of this bill, "You fix the maximum and the minimum limitations within which the President must act."

Mr. SMITH. Mr. President, will the Senator yield for a question?

Mr. GEORGE. Mr. President, I have such a short time available to me that, if the Senator will excuse me, I prefer not to yield now. Perhaps I can return to the point the Senator has in mind.

Mr. President, I am confident that no President would ever disregard the Tariff Commission's findings.

Then what have we when we come to the Tariff Commission provision? I do not impugn their motives, but, under the law, the Tariff Commission is composed of three Democrats and three Republicans. It is a bipartisan Commission, made up in the way I have already stated. Before the President could move to reduce any tariff duty, however high, or to obtain any other trade benefit from any other nation, under the bill, he would have to submit to the Tariff Commission the entire list of all the articles which he intended to cover. He could not move otherwise. The Tariff Commission would have to hold hearings and hear

arguments. Believe me, Mr. President, those arguments would be almost interminable. I sat here in Washington through the whole of 1929 listening to the arguments, not on all the items in the Tariff Act, but on the items in two or three schedules. Only 30 days of vacation did I have during that whole year, and yet the act was not passed until the following year.

So the arguments will be long; the briefs will be long; the deliberations of the Tariff Commission will be long. Until the Tariff Commission has made its report, the President's hands will be tied.

Suppose the Tariff Commission divides three to three—and it already is divided; there is no use in quibbling about that. We shall find them divided the second day after this bill is enacted. Suppose the Commission divides three to three. In that case the Commission never makes a report, for in order to make a report to the President the Commission must have four of its six members in favor of the report, and until the Tariff Commission makes its report, under the language of the committee bill, the President's hands remain tied. Do you think, Mr. President, that there will be any readjustment of tariffs under those circumstances?

The Reciprocal Trade Agreements Act was not passed as a tariff act. It is an amendment to the existing Tariff Act. It was passed because the rates had been placed so high that twenty-odd nations had retaliated against us. World trade was virtually stagnant. Perhaps the tariff was not solely or wholly to blame, but it was a powerful factor in bringing about that situation.

So we were trying by means of the Trade Agreements Act to devise a program by which the excessively high rates in our own tariffs and in the tariffs of other countries, including all kinds of trade restrictions, could be leveled down to the point where trade and commerce would again develop.

When we look at the language of the pending bill, and recognize that only the Tariff Commission is to determine whether any producer is to be injured or threatened with injury in fixing the maximum and minimum rates to which I have referred, we are bound to realize that the Tariff Commission will be going back to the organic act under which it was created. In the Reciprocal Trade Agreements Act there is not a line or a word that looks to the functioning of the Tariff Commission as a Commission. The Tariff Commission of course is to be consulted by the President. The Tariff Commission, through its chairman, is to sit on the Interdepartmental Board that finally makes its recommendations to the President. The Tariff Commission has a right to have its say so—but along with the Secretary of Commerce, the Secretary of Labor, the Secretary of Agriculture, the Secretary of State, and such other heads of departments as are concerned about it. The standard and the basis for Tariff Commission action as such cannot be found in the Gearhart bill; it is not there. It cannot be found in the committee bill; it is not there, except in the language I have read, namely, that in the fixing of maximum and mini-

mum rates, they shall take care not to injure any domestic producer or threaten him with serious injury. I understand that some amendment is to be offered to that language. In my view of it, the language is material but not at all controlling.

The inquiry the Tariff Commission would make would be respecting injury to a domestic industry or branch of agriculture, the proposed language being: "Without causing or threatening serious injury to domestic producers of like or similar articles." That ought to be placed in the act. But with that included, what is the standard that must control the Tariff Commission as a Commission? The Smoot-Hawley Tariff Act. One is driven inexorably to that act. What does it say? It says the Commission must, in making its recommendations to the President, base its findings upon the costs of production. It not only says that, but—

If the Commission finds upon any such investigation that such conditions cannot be equalized by proceeding as hereinbefore provided, it shall so state in its report to the President and shall specify therein such ad valorem rates of duty based upon the American selling price as refined in section 402 (g) of the Smoot-Hawley Tariff Act.

To make doubly clear what the Smoot-Hawley Tariff Act means in setting up the organic law under which the Tariff Commission acts, I call specific attention to section 336:

In order to put into force and effect the policy of Congress by this act intended, the Commission (1) upon request of the President, * * * shall proceed to make investigation and a report.

This language also occurs in the section:

The Commission shall report to the President the results of the investigation and its findings with respect to such differences in costs of production. If the Commission finds it shown by the investigation that the duties expressly fixed by statute do not equalize the differences in the costs of production of the domestic article and the like or similar foreign article when produced in the principal competing country, the Commission shall specify * * *.

Additional duties may then be imposed.

Mr. President, if I were presenting this case to any court of law in the world I should rest confidently upon his assertion: There is no standard for the performance of the duty required of the Tariff Commission as a commission, save in the Smoot-Hawley Tariff Act. Of course that was not the beginning of the Tariff Commission. It had its origin prior to that. But the present organic law of the Tariff Commission is to be found in the Smoot-Hawley Tariff Act, and in that act alone. When the Commission is called upon to find whether the producer is going to be hurt seriously, or threatened with serious injury, by the importation of some foreign commercial article, the Commission will go back to this narrow basis, the single consideration of the cost of production.

It is true the President may then call in the nine men who are playing baseball with him, and he may ask them about it, but they cannot upset that ruling; they

have nothing to say on that point. It is true he may decline to act upon the Commission's recommendation, and it is true that he may overrule it, but I have already said that no President would overrule it and subject himself to the bitter, harsh criticism to which he would be subjected in a country, Mr. President, where we sometimes have both politics and differing political views.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. LUCAS. On the cost of production, does the Senator agree with me that the Tariff Commission, if they have to follow that rule—and I agree that they do—would have a tremendous task on their hands, with some trade agreements containing hundreds of articles upon which the peril points should be determined?

Mr. GEORGE. Undoubtedly. But the Tariff Commission, after the passage of the Smoot-Hawley Tariff Act, and until 1934, made very few recommendations to the President either for increases or decreases in important duties or rates. After deliberating for a long, long time, they finally came up with a recommendation that the tariff duties on Mexican live quails should be reduced. Nothing will be done, if reliance is placed upon the Tariff Commission for the performance of the whole job. The Commission has its functions, it ought to be brought into the picture, but it ought not to be given the whole say-so in the matter.

I now invite attention, particularly of the distinguished chairman of the committee, to another matter. At Geneva on October 30, 1947, there was signed an agreement known as the General Agreement on Tariff and Trade. I am not referring to the charter. Twenty-three nations, including the United States, were parties to the agreement. But not all the nations of the earth were parties, indeed six of the countries included in the western European agreement, who are recipients of our aid and assistance under ERP, if I might call it such, have no agreement with us. We are trying and are hopeful the six countries at least will come into the multilateral trade agreement negotiated at Geneva.

The distinguished chairman developed, and I suppose it is correct, that the multilateral agreement deals with some 42,000 separate articles or items. It was asserted by someone that the United States was interested in about 3,000 articles or items covered by the general agreement. Dr. Ryder, of the Tariff Commission, said his recollection or his opinion was that we had dealt with some 1,800 articles or items, but he then said those could be further broken down, he assumed, into a larger number.

Let us suppose, Mr. President, that we are successful in having Portugal or Austria or Ireland or Italy or Greece or Denmark, the six western European nations who are receiving benefits under the legislation we originally passed come into this general agreement. Let us suppose that one of those nations enters into this general agreement. What is the result? We have adopted and have

followed scrupulously the policy of the most-favored-nations clause in treaties. Since we launched upon the reciprocal-trade-agreements program, we have striven constantly to deal with all nations upon that basis. Indeed, the very concepts of a reciprocal-trade arrangement or trade-agreement program required us to say that we would extend like treatment to all nations. The moment that Greece comes in, or, let us say that Italy adheres to this general agreement negotiated at Geneva on October 30, 1947, every single binding made by the United States, every binding on the free list, and every binding of duties at the present or existing rates, would be open to inquiry by the Federal Tariff Commission. There are literally many thousands of them, because it must be remembered that the vast majority of articles and products imported into the United States are on the free list. It must also be remembered that in literally thousands of instances in this multilateral agreement we have bound ourselves not to increase duties. Yet, all of them would be open if even little Greece came in and wanted to subscribe to this multilateral trade agreement.

The multilateral trade agreement may contain some defects. I should be greatly surprised if it did not contain some defects. But the multilateral trade agreement is the result of reciprocal tariff negotiations. It represents at least the high tide of accomplishment in that field up to that hour. I am not overstating the matter. The Tariff Commission simply would not be able to advise the President with respect to every article upon the free list or every duty continued at the existing tariff levels within the short period of time indicated in this bill and in the House bill as the desirable extension period.

Mr. President, there is, in my opinion—and I must always speak frankly—a very substantial reason why the Trade Agreements Act should not be continued for more than 1 year, and that is that during the early months of 1949 we shall be called upon to consider the International Trade Organization charter, which is a very important matter. It seems to me that the two, while not necessarily dependent upon each other, are so merged and integrated as to make consideration of the charter negotiated finally at Havana in March of this year, and the further extension of our Trade Agreements Act, a concurrent action.

I turn with all seriousness to one phase of the question, because I do not have the time to discuss as I otherwise should like to do. I turn to an act which Congress passed this year and which the President approved on April 3, 1948. We called it the ERP Act, though that is not its official title. I now read from section 102 (b) of that act:

(b) It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of extraordinary outside economic assistance within the period of operations under this title, by—

These are the means which we propose to adopt:

- (1) Promoting industrial and agricultural production in the participating countries;
- (2) Furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances; and
- (3) Facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade.

Looking into the body of the act, at page 17, section 115 (3), we find this is what these countries must do:

Cooperating with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and cooperating to reduce barriers to trade among themselves and with other countries.

What sort of people are the people of these United States when we say we want Europe to get back on her feet, that we want to strengthen the economy of the western European nations, and when we call upon them in the explicit language of the ERP Act to lower the trade barriers between themselves and with foreign countries, and then say, "To the winds with the Reciprocal Trade Agreement Act," the primary purpose of which was to talk with foreign countries and see how much they would reduce tariff barriers in consideration of a reduction upon our part of rates and restrictions which those nations had found burdensome?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from Kentucky.

Mr. BARKLEY. What the Senator has read is not a mere matter of wishful thinking. It is a requirement upon which depends the continuity of our aid to those nations. Is not that correct?

Mr. GEORGE. That is exactly correct.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from New Hampshire.

Mr. TOBEY. I have been interested in the Senator's remarks, as I always am when he speaks. He referred to the ERP, commonly known as the Marshall plan, and pointed out the lack of consistency with the wording of the law if we shall pass certain phases of the pending legislation in connection with the reciprocal trade-agreements extension. To get down to brass tacks, may I ask the Senator if he would agree with me that if this afternoon we pass a bill which contravenes the principles of the Marshall plan we might be construed as being similar to the Roman god Janus, facing both ways, or, to use the common language of the street, blowing hot and cold at the same time. Would that be a fair inference, in the Senator's judgment?

Mr. GEORGE. I think it would be a very fair inference. I prefer to apply the historic inquiry of Mr. Churchill when he said, with reference to the sneak attack upon us at Pearl Harbor, "What

kind of people do those Japs think we are?"

Mr. TOBEY. If I may go a little further, it should be the conception of all of us here, as the instrumentalities of the people, that our prime objective, in the last analysis, is to pass legislation pro bono publico for 130,000,000 or 140,000,000 people, millions of little people, who have no lobbyists here, and who sometimes wonder whether we give a damn about them except to get their votes on election day. Such people are often terribly disillusioned by what happens. I ask, then, of the distinguished Senator, would we not be taking a step backward, a retrograde movement, if we did not maintain the law as it is for another year?

Mr. GEORGE. I think the Senator is entirely correct. I agree with him 100 percent.

Mr. TOBEY. I rest my own personal feelings on that statement.

Mr. GEORGE. There are good reasons why it should not be extended over 1 year.

Mr. TOBEY. The Senator realizes with me also that the Scripture is correct that where the treasure is there shall the heart be also; and he recalls doubtless an instance 2 years ago when I made an attack here on the floor on five lobbyists with round bottoms and round heads who were trying to defeat the reciprocal tariff agreements on both sides. He remembers also doubtless the time when the Smoot-Hawley bill was before the Senate that certain business interests of the State of Connecticut arranged to have one of their employees employed by the Finance Committee of the Senate, on a Government salary, to help rig up the schedules of the tariff making to please the industries of Connecticut. Does the Senator remember that?

Mr. GEORGE. I am not able to forget it.

Mr. TOBEY. If we are interested, and sincerely under conviction that our prime job is to serve the people, and not things, and that corporations, fine as they may be yet are subordinate to human beings, then the one purpose we should carry out this afternoon is to maintain this act as it is, for 1 year more, and then meet the situation as it arises at that later time.

Mr. GEORGE. I think the Senator is absolutely correct. I agree with him entirely.

Mr. President, it is somewhat beside the question, but I cannot help recalling that in 1929 and 1930 when I was much younger and somewhat more innocent than I am today, I offered in the Senate a simple amendment to provide a consumers' counsel, a people's counsel, to sit before the Tariff Commission when the special interests went before that Commission and asked for an increase in rates. The Senate adopted the amendment, but all the protectionists in America held up their hands in holy horror, and through the press, particularly that segment of the press which believed only in protection, and without regard to how the general industry and the general economy were being affected, had so much to say about it that the conferees

on the Smoot-Hawley Tariff Act struck out that amendment the first thing. The only idea was to provide that somebody should sit before the Tariff Commission whose sole duty would not be to see that somebody got a higher tariff rate, but that the public interest should be protected.

Mr. BARKLEY. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator will also recall that he and I were both members of the Senate Committee on Finance in 1929 and 1930, and that on the floor of the Senate item after item, and almost item by item, and schedule by schedule, the Senate reduced the rates reported by the Finance Committee, but when the bill got into conference the rates were restored, by agreement of the Senate conferees.

Mr. GEORGE. I do not think they omitted a single item. If they did it was an oversight.

Mr. President, I come now to what I consider the fundamental concept involved in this legislation, and to a matter which I think transcends every other thing that may be said on this occasion.

In the highly complex civilization in which we live, and in our highly industrialized Nation, the deep, underlying domestic policies which are adopted necessarily control our foreign policies. I do not think anyone can take exception to the statement that at the last, the foreign policy of every great trading and commercial nation is controlled by the deep, underlying domestic policies which it follows.

We have fought against improper restraints of trade, we passed laws against contracts in restraint of trade, we passed antitrust laws, because we had learned, as every other greatly industrialized nation learned, that economic and political concentration within the Nation made it necessary for the Nation to adopt a domestic policy, consistent with the general welfare of all the people. In large measure the effort to prevent even combinations of labor to the injury of the public was but an expression of the same philosophy.

America's foreign policy will not be written and cannot stand upon the basis of the Atlantic Charter alone. America's foreign policy will not be written in the eloquent language of the United Nations Charter, negotiated and concluded at San Francisco. It will not be written in the magnificent efforts we in the Congress are making to relieve our people at home and people of the world around. It will be written, it will finally be controlled, by the deeply imbedded, underlying directing forces of our domestic policies.

So when we concede all that can be conceded to the bill as it passed the House, and to the committee bill, in this instance, it is a throw-back to domestic policies, which in but a short time will undermine our foreign policies.

Mr. President, let me show to the Senate what I mean. In the hearings on the bill, Mr. Holman, Secretary of the National Cooperative Milk Producers Federation, appeared as a witness. He was a singularly frank and well-informed

witness, and I have no criticism to make of him. I propounded to him a question:

Senator GEORGE. Without arguing the question, Mr. Holman, as to whether you are right or wrong in advocating repeal, you are to be complimented on your frankness.

Mr. HOLMAN. I thank the Senator.

Senator GEORGE. In saying that you do favor straight repeal of the act you are to be complimented. You therefore favor the House bill because it moves in that direction?

Mr. HOLMAN. That is correct, sir.

That is the language of a frank advocate of the bill. He said he favored the House bill because it moved in the direction of straight repeal.

Mr. Holman was not an exception. The philosophy of all the other testimony comes down to the same thing; and in the face of what, Mr. President? Certainly Mr. Arthur Besse, who is known to at least all the wool growers and wool manufacturers of the country and perhaps of the world, an intelligent and an honorable man, said this of the effect of the Reciprocal Tariff Act and the agreements negotiated thereunder, in response to my inquiry:

Senator GEORGE. Your industry has suffered no ill effects?

Mr. BESSE. We have never claimed that.

That is the testimony of every witness, or it is the philosophy of every witness who appeared before the committee. There are anticipated injuries, it is true, but no actual injuries.

Mr. President, I must beg the pardon of the Senate for this most desultory presentation of some views here today, but I cannot dismiss from my mind the fact that a great and honorable statesman, Cordell Hull, even from his sick room must be overwhelmed by the weight of sorrow that comes to him when his contemporaries would preserve the shadow, let us say, and the form, but take away the substance of the Reciprocal Trade Agreements Act in which he so profoundly believed. Mr. Hull, however, must, like many great leaders throughout history who have wrought mightily for their fellow men at home and the world around, calmly await, as indeed he may await, the verdict of history upon what he sought to accomplish in setting up an arrangement which would pare down and level off unreasonable trade restrictions and unreasonable duties imposed both by our country and by other countries upon world trade.

Mr. President, when we have moved away from the position of a debtor nation to the position of a creditor nation, the foremost creditor nation of all times, when we have productive capacity in these United States today equal to the combined power of all nations and all men everywhere to produce the goods and the articles and the services mankind needs, surely we do not need to go back to unreasonable trade restrictions, but we need rather to catch the vision of the honorable Cordell Hull of a movement toward somewhat more liberal trade relations and practices that would make our trade and commerce profitable not only to us, but profitable also to men everywhere.

I thank Senators for having listened to me.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed, without amendment, the following bill and joint resolution of the Senate:

S. 2642. An act to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved February 16, 1942; and

S. J. Res. 84. Joint resolution to provide for the restoration and preservation of the Francis Scott Key Mansion, to establish the Francis Scott Key National Memorial, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6716) to authorize the Administrator of Veterans' Affairs to transfer a portion of the Veterans' Administration center at Los Angeles, Calif., to the State of California for the use of the University of California.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 3889. An act to amend Veterans Regulation No. 1 (a), parts I and II, as amended, to establish a presumption of service connection for chronic and tropical diseases;

H. R. 4663. An act to confer jurisdiction upon the District Court of the United States for the Middle District of Georgia to hear, determine, and render judgment on the claims of the owners in fee simple of the land leased to the United States by the city of Macon, Ga., for use as a part of the site of Camp Wheeler, Ga.; and

H. R. 6726. An act to amend the Public Health Service Act to provide for, foster, and aid in coordinating research relating to dental diseases and conditions, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5883) making appropriations for the Department of Agriculture (exclusive of the Farm Credit Administration) for the fiscal year ending June 30, 1949, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 12, 13, 15, 35, 41, and 42 to the bill, and concurred therein; that the House receded from its disagreement to the amendment of the Senate numbered 33 to the bill, and concurred therein with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendment of the Senate numbered 1 to the bill.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H. R. 238. An act for the extension of admiralty jurisdiction;

H. R. 239. An act to further perfect the consolidation of the Lighthouse Service with the Coast Guard;

H. R. 929. An act for the relief of Ernest L. Godfrey;

H. R. 945. An act relating to the payment of fees, expenses, and cost of jurors;

H. R. 1222. An act for the relief of Mr. and Mrs. M. C. Lewis;

H. R. 2766. An act to amend section 2 of an act, entitled "An act to provide for the establishment of a probation system in the United States courts, except in the District of Columbia," approved March 4, 1925, as amended (18 U. S. C. 725);

H. R. 2867. An act to permit, subject to certain conditions, mining locations under the mining laws of the United States within that portion of the Harney National Forest, designated as a game sanctuary, and for other purposes;

H. R. 2916. An act for the relief of Walter Vandahl and Esther S. Vandahl, Allabrada Adams, Mrs. Lucile L. Rice Talbot, Mrs. Gladys Webb, and John E. Webb;

H. R. 3007. An act for the relief of Ernest F. Lutzken;

H. R. 3114. An act for the relief of the estate of John Deiman;

H. R. 4114. An act to amend the Public Health Service Act to permit certain expenditures, and for other purposes;

H. R. 4244. An act to authorize assistance to certain veterans in acquiring specially adapted housing which they require by reason of the nature of their service-connected disabilities;

H. R. 4298. An act for the relief of Henry Hill;

H. R. 4455. An act to authorize the conveyance by the Secretary of the Interior to the Richmond, Fredericksburg & Potomac Railroad Co., of certain lands lying in the bed of Roaches Run, Arlington County, Va., and for other purposes;

H. R. 4566. An act for the relief of William Nally;

H. R. 4659. An act to ratify and confirm amendments to certain contracts for the furnishing of petroleum products to the United States;

H. R. 4964. An act to preserve seniority rights of 10-point preference eligibles in the postal service transferring from the position of letter carrier to clerk or from the position of clerk to letter carrier;

H. R. 5036. An act to authorize the attendance of the United States Marine Corps Band at the national assembly of the Marine Corps League to be held at Milwaukee, Wis., September 22 to September 25, inclusive, 1948;

H. R. 5272. An act relating to the compensation of certain railway postal clerks;

H. R. 5330. An act for the relief of W. W. DeLoach;

H. R. 5655. An act confirming the claim of Juan Berrar to certain lands in the State of Louisiana, county of Attakapas, now parish of Saint Martin, said claim being listed as No. B-690 in the report of the Commissioners dated June 1811, so as to include section 2, township 11 south, range 6 east, Louisiana meridian, containing 139.62 acres;

H. R. 5820. An act to aid in the development of improved prosthetic appliances, and for other purposes;

H. R. 5822. An act to establish the Saratoga National Historical Park, in the State of New York, from the lands that have been acquired by the Federal Government for that purpose pursuant to the act of June 1, 1938 (52 Stat. 608), and for other purposes;

H. R. 5889. An act to extend the provisions of title VI of the Public Health Service Act to the Virgin Islands;

H. R. 5936. An act to provide for the addition of certain surplus Government lands to the Chickamauga and Chattanooga National Military Park, in the States of Georgia and Tennessee, and for other purposes;

H. R. 5957. An act to provide for the establishment of the Fort Vancouver National Monument, in the State of Washington, to include the site of the old Hudson's Bay Co. stockade, and for other purposes;

H. R. 6188. An act to confer jurisdiction over the Fort Des Moines Veterans' Village upon the State of Iowa;

H. R. 6234. An act to authorize the establishment of internships in the Department of Medicine and Surgery of the Veterans' Administration;

H. R. 6239. An act to provide for the suspension of annual assessment work on mining claims held by location in the Territory of Alaska;

H. R. 6246. An act to authorize the transfer of certain Federal lands within the Chopawamsic Park to the Secretary of the Navy, the addition of lands surplus to the Department of the Army to this park, the acquisition of additional lands needed to round out the boundaries of this park, to change the name of said park to Prince William Forest Park, and for other purposes;

H. R. 6289. An act to provide for the voluntary admission and treatment of mental patients at St. Elizabeths Hospital;

H. R. 6339. An act to amend the provisions of title VI of the Public Health Service Act relating to standards of maintenance and operation for hospitals receiving aid under that title;

H. R. 6766. An act to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act, as amended, and for other purposes; and

H. J. Res. 411. Joint resolution to authorize the issuance of a stamp commemorative of William Allen White, whose literary genius made such a great contribution in the field of American literature.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 6556) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. BARKLEY. Mr. President, let me ask how the division of time now stands.

The PRESIDING OFFICER. The Senator from Colorado has left under his control 60 minutes. The Senator from Georgia has left under his control 1 hour and 45 minutes.

Mr. BARKLEY. In view of the fact that the Senator from Georgia is obliged to leave, I have been designated by him to be in charge of the time under his control. I now yield to the Senator from Virginia [Mr. ROBERTSON] 35 minutes.

Mr. ROBERTSON of Virginia. Mr. President, on Saturday I indicated that my statement on this subject would require 40 minutes, and I was assured then that I would be given 40 minutes.

Mr. BARKLEY. Very well. I yield 40 minutes.

Mr. ROBERTSON of Virginia. The distinguished chairman of the committee, the Senator from Colorado [Mr. MILLIKIN], said that if the opponents of the measure did not have sufficient time at their disposal to yield me 40 minutes he would yield me some of the time at his disposal.

Mr. BARKLEY. Very well. Mr. President, I yield to the Senator from Virginia 40 minutes.

Mr. ROBERTSON of Virginia. I thank the Senator from Kentucky.

Mr. President, it is no new experience for me to discuss upon the floor of the Congress the question of continuing the Reciprocal Trade Agreement Act.

As a member of the Ways and Means Committee of the House I participated in

the hearings and in the debate which led to extension of the act of 1937, in 1940, in 1943, and in 1945.

In the speeches I made on those occasions I dealt at length with the benefits to the United States of a program of freer world trade. I shall not attempt to cover the entire ground today because I intend to be brief and concentrate my attention on the particular bill now pending. But, if there are Senators who are interested in the background of thinking on which I base my current remarks, I can refer them especially to my statements which will be found in the CONGRESSIONAL RECORDS of February 4, 1937, beginning at page 1038; February 19, 1940, beginning at page 2539; February 22, 1943, on page A762 of the Appendix; May 10, 1943, beginning at page 4241; and May 22, 1945, beginning at page 4975.

I want to recall now that in the 1937 speech to which I have just referred I said there must be in the world a practical application of the doctrine of live and let live. I said that World War I had been a trade war and that although we entered it with high ideals, we allowed the seeds of future conflicts to be sowed in the Treaty of Versailles, which forcibly took colonies and sources of raw materials from one nation and gave them to another. I pointed out that our export trade was being held back by the fact that the nations of Europe were arming again and were forcing their people to economize on the necessities of life to buy more cannon and warships. I said too that even if our efforts—this was in 1937 remember—to prove to the world that it was more profitable to trade than fight, should cause our imports to temporarily exceed our exports, we would be the gainer in the long run if we could help avert another world conflict.

It is a matter of record now, of course, that we did not prevent another war. We started too late and were too restricted in our efforts to overcome the handicaps of exchange controls, quotas, clearing and paying agreements and the other devices which other nations had adopted partially at least because they resented our Smoot-Hawley tariff rates adopted in 1930.

And, I say today as I did 11 years ago, that even if our policy of trade agreements had the damaging effect on our domestic economy which opponents have claimed but have never been able to prove, we could well afford to appropriate the money to pay the injured parties as an alternative to saying to the world that we have abandoned the theory that it is better to trade than to fight.

I can repeat today also with full belief and added emphasis these statements I made in 1943: That the negotiation of mutually beneficial reciprocal-trade agreements is the soundest and most practical way of preserving international trade on a democratic basis without regimentation at home and without ill will abroad; and that if after the war, which was then in progress, we were unable to break down international barriers and enable private citizens of one country to trade with private citizens of another, the trade of the world would be handled

by governments and regimentation of our economy must result.

Again in 1945 I recall that I told the House that the action the Congress took on the proposal to renew and strengthen the Trade Agreements Act would be interpreted by the world as an indication of the degree of international economic leadership that can be expected from this Nation. I spoke of the reciprocal-trade agreement program as the keystone of this country's foreign-trade policy and recalled that it had then been successful for 11 years and that other countries had known that this country was ready to work with them for trade expansion. "Failure to renew the program on an active basis," I said, "would be taken to mean that we were determined to repeat our mistakes of the 1920's."

I digress here to mention the concluding remarks on that subject by the distinguished Senator from Georgia [Mr. GEORGE], who said that it was not what we said in the United Nations Charter, it was not what we said in the Marshall plan, but it is what we are doing today and will do in the years to come in implementing those promises that will fix and determine our foreign policy.

Once more we are faced with the question of what we shall do about this program which for 14 years has proved its usefulness.

One indication of the success of the reciprocal trade program is the fact that its opponents no longer assault it by frontal attack. We have before us a bill to extend the act. But it is significant to note that the bill came to us at the eleventh hour, on the eve of automatic expiration of the power to negotiate trade agreements.

The debates to which I previously referred took place in February or at latest in May of the years in which the act previously came up for renewal, but this time a bill is brought out in the House at the very end of May and is passed without any public hearings having been held on the bill, and after only brief and restricted hearings in executive session even on the general policy of trade agreement extension.

As the result of the hearings held by the Senate committee in the limited time at its disposal amendments have been made which, in my opinion, very materially improve the bill, but I still cannot help but regard with grave suspicion legislation which has been sponsored by those who in the past have consistently been enemies of the program which it purports to continue.

I think those of us who believe in and have advocated the expansion of mutually beneficial world trade must examine the pending bill with a critical eye and try if we can to eliminate those features which would pave the way for eventual abandonment of the program and a return to such a schedule of rates as we had in the Smoot-Hawley bill.

Let us consider, then, just what this bill would do to the program.

The major defects, as I see it, center around the way in which it proposes to alter the functions of the Tariff Commis-

sion in connection with the making of agreements.

First. If even a pretense is made of carrying on the reciprocal trade program it will entail added expense for enlarging the staff of the Tariff Commission. The Commission has said it is not adequately staffed to carry on functions already assigned to it, and it is absurd to assume that it could begin to do the job of making detailed studies of possible effects of tariff changes required by this bill without additional personnel.

It may be said that the additional appropriation of from \$500,000 to \$1,000,000 that would be needed to give the Commission the staff it says it would require is not large, considering the importance of the program. But the significant thing is that the bill contains no provision for any such expansion. Could this be an oversight, or is there a willingness on the part of the sponsors of the measure to give the Tariff Commission an impossible task in trying to carry out the provisions of the bill in a reasonable manner?

Second. It will lead to endless delays in arriving at any agreement. Under the existing law a trade agreement can be made on the basis of a reasonable supposition that it will be beneficial, and if it should prove damaging, relief can be given through an escape clause. Under the pending bill, the Tariff Commission would be required to satisfy itself in advance that no serious injury to an industry would be threatened. Naturally the Commission would not be willing to make such a theoretical decision without protecting itself by elaborate studies, including comparisons of costs of production in this and other countries.

In the past the Commission has taken from 2 to 4 years to find the cost of production of an article in the United States alone, without even considering foreign costs, and often cost factors have materially changed in less than 2 years, to say nothing of 4.

It seems evident that sponsors of the bill expect factual studies to be made by the Commission to determine production costs. But if this were done for each and every item considered for inclusion in a trade agreement there would be interminable delay involving thousands of man-hours in fruitless searching for the unattainable.

Consider, for example, the agreement which was negotiated with the United Kingdom in 1939. They gave us concessions on approximately 1,400 items and we gave the United Kingdom concessions on between 500 and 600 items. If our Tariff Commission had to ascertain here and in Great Britain the relative cost of production of these 500 or 600 items of competitive imports, it would take many years to do the job; and, of course, the results would be outdated long before that time had passed.

Consider then the impossible task of making the same studies of all the competitive-items among the 45,000 covered by the agreements with 22 nations negotiated last year at Geneva.

Moreover, the outstanding tariff experts of the country are almost unanimous in their criticism of the cost for-

mula as the sole criteria for tariff rate making.

That was one of the major points made by the preceding speaker, the distinguished Senator from Georgia—that the bill limits the consideration to comparative costs and to the cost formula alone.

Some of the difficulties involved are alluded to in a letter written by the present Chairman of the Tariff Commission to Representative DOUGHTON on May 17, 1948, in which he said:

Cost studies are, as a practical matter, of somewhat limited usefulness in tariff making, not only because of the time required to make such studies but also because of the character of the decisions which have to be made in resolving the complex questions which arise regarding the comparability of the domestic and imported products, the allocation of general and overhead costs to particular joint products or byproducts, the method of averaging costs of different producers, the appropriate markets to which to compute costs of transportation and other matters.

Yet, if the sponsors of the pending bill do not refer to this kind of study, they must be content with the kind of fact-finding carried on by the Commission in connection with the reciprocal trade agreements program during the past 14 years. If that is true the net effect of this portion of the bill would be to shift the policy-making responsibility from the administration to the Commission, a thoroughly unsound procedure.

Third. Because of the inherent difficulties of the tasks which the bill would assign to the Tariff Commission, the result is almost sure to be nullification of the program, unless the time limit is extended by more than a year. The 1-year extension will not allow time to get anything done, and the prospects for success in arriving at agreements will be so discouraging that little progress will be made toward any future negotiations. Other nations will be reluctant to deal with us while our attitude remains so uncertain.

Fourth. The Tariff Commission, as a bipartisan body of men serving limited terms, will be hopelessly handicapped by the pressures to which the Commission and its staff will be subjected. To expect a bipartisan agency with equal representation on both sides to arrive at policy decisions is to manifest a lack of understanding of the nature of the questions under discussion. With a membership of six—three Republicans and three Democrats—it is little short of naive to expect that on the controversial questions of real importance, anything other than an evenly split report can be expected. Such split reports can be extremely valuable in guiding the Congress and the President in arriving at policy judgments by pointing up the issues. The bipartisan mechanism has been highly useful in assuring that the fact-finding work of the Commission's staff is kept objective and free of partisan or doctrinal bias. But an evenly divided Commission can hardly be expected to arrive at the policy judgments itself. To expect that it could is to confuse the science of fact finding with the art of politics. The net effect of this change,

therefore, would be to block effective action.

If this bill really is intended to provide a workable mechanism, and is not merely a device for forestalling action, it would be well to reorganize the Tariff Commission so as to provide for an odd, rather than an even, number of Commissioners. Evenly split bodies are intended to insure impartiality in fact finding, but they are not efficient in reaching decisions on controversial subjects. On the other hand, with three or five Commissioners, there would be greater assurance that some sort of recommendation would be made.

To expect the Tariff Commissioners to display imagination in the setting of liberal levels would be to ignore the realities of the situation. Tariff Commissioners are appointed by the President, with the approval of the Senate, for 6-year terms, at a salary of \$10,000 a year. To expect bold policy leadership under such an arrangement is excessively optimistic, to say the least.

If the Tariff Commissioners are interested in holding on to their jobs, they will play safe. If bold leadership is wanted via this route, the Tariff Commissioners would have to have higher rank than they now have. They would have to have something approaching life tenure and salaries commensurate with their responsibilities. They would, in other words, have to be more like the Supreme Court in stature and security. There have been a number of competent men among past and present Tariff Commissioners; but, with few exceptions, they have shone as technicians, rather than as policy makers. Men who are fearless when it comes to sticking to the facts are naturally inclined to be unduly conservative and cautious when it comes to action.

The Tariff Commission has been able to survive and to grow in usefulness in the years since its establishment in 1916, largely because it has been kept out of the political limelight. Tariff making is highly charged with politics. All sorts of pressure groups are ever ready to go the full way in getting what they are after for their own interests. They stop at nothing. To plunge the Tariff Commission into the arena of actual rate determination would, therefore, bring to bear on the Tariff Commission and its staff unbelievably strong group pressures. Lobbyists would swarm its halls and endeavor to influence the findings of the staff. Indeed, the net effect of this bill might well be not to "take the tariff out of politics" but to "put the Tariff Commission into politics."

The Tariff Commission has been and is a valuable institution. Why should the Congress, after all these years, deliberately plunge it into politics? Why should we lose its impartial fact-finding services and gain nothing in its stead?

The views of the present Chairman of the Tariff Commission along these lines were expressed in the letter addressed to the gentleman from North Carolina, Representative DOUGHTON, to which I previously referred:

The Commission was established in 1916 in order that the Congress and the Executive might have a reliable source of objective in-

formation on tariff matters, information which could be accepted as authentic by all sides in any tariff controversy. Thus, from the very beginning its primary function has been to find the facts, leaving policy decisions to the Congress and the President. I doubt the advisability of transforming the Commission into a policy-making agency and thus subjecting it, more than in the past, to political vicissitudes.

My fear is that the attempt to determine the degree to which duties may be reduced without injury to domestic producers or impairment of the national defense would require the making of such difficult and fundamental judgments that the Commission would, in effect, be making major policy decisions. The element of judgment, of course, enters into the various phases of the Commission's present work. This is especially true of the duties which have been assigned to it under the escape clause in trade agreements. In cases under that clause, however, its findings as to whether serious injury to domestic producers has occurred or is threatened will be based upon actual observation of imports and domestic production after the trade agreement concession in question has come into force. In contrast, the findings required under H. R. 6556 would have to be based to a large extent, especially under present abnormal conditions, on assumptions and estimates as to future probabilities.

Mr. President, efficient administration also will be damaged by the provision in this bill requiring the President to submit to Congress detailed accounts of his disagreements with a Commission which he appoints.

Even though provision for congressional veto power has been omitted from this bill, this will tend to bring agreements even more into the field of party politics and to increase the vulnerability of the Commissioners.

Fifth. The talents of the Tariff Commission members will be wasted by keeping them from participating in the making of agreements. Under this bill they will be limited to rate-fixing functions, and will no longer have a share in the bargaining revolving around these rates.

Sixth. At the same time, other agencies of the Government will be deprived of a vote in the determination of rates in fields where their knowledge is greater than that of the Tariff Commission; and this, too, represents a net loss. Consider, for example, the value of having the Department of Agriculture help to decide on agricultural rates, and of having the National Defense Department participate in decisions involving security matters.

Some of the most successful negotiating that has been done here and abroad in behalf of the United States in the past 14 years has been by members of the Tariff Commission and its staff. To deny these services to the administration in such an important task does not make sense, nor does it make sense to substitute the Tariff Commission, or any other single agency, for the interdepartmental machinery, when it comes to recommending changes in tariff rates.

There is no simple formula for determining scientifically and nonpolitically what any tariff rate should be. The setting of tariff rates is political business because it has to do with economic imponderables that happen to have strong political flavor.

One of the virtues of the reciprocal-trade agreements machinery, as it has evolved during these past 14 years, is that it has been interdepartmental. All points of view—those of agriculture, industry, labor, consumers, and the Military Establishment—have had a chance not only to be heard but also to vote on decisions. The result is balanced judgment, as close to nonpolitical as can reasonably be expected. The Gearhart bill would do away with all of this, and would substitute the Tariff Commission as the sole agency to make the factual studies, to hold the public hearings, and to make recommendations to the President.

The effect would be to set the Tariff Commission apart from the other Government agencies, and to destroy the interagency teamwork that has been so large a factor in the success of the trade-agreements program to date. Maybe that is one of the reasons why the proponents of the bill are so anxious to see it passed.

Another major defect is that the bill does not specify any time limit within which the Tariff Commission is to make its report to the President.

I already have called attention to the fact that the Commission is evenly divided between the two parties, and that, therefore, deadlocks on controversial items are to be expected. What is to happen when such a deadlock occurs and continues indefinitely? Under the bill as it now stands, there is no way in which the President can act until he has received a positive recommendation from the Commission, so presumably no cut could hereafter be made on any controversial item.

If the bill is to become law, we should at least insert a provision to the effect that the Commission would have to make its report to the President within a specified period of time—say 6 months, or the 4 months as proposed by the junior Senator from New York [Mr. Ives] this morning.

But let us now look at the bill in its broader aspects and see what effect it will have aside from the direct damage it will do to the operation of the reciprocal-trade program.

First, it will seriously damage if it does not lead to the end of a program which has been an important instrument of foreign policy.

We will be in a poor position to bargain with representatives of other nations which know that the Congress has refused to extend the act for more than a year and that at the end of the year it may be abandoned.

In this connection we should not overlook the statement of Secretary of State Marshall when he told the Ways and Means Committee:

Any serious weakening of the Trade Agreements Act at this critical period in world affairs would almost certainly be regarded by other countries not only as a surrender of our leadership in the international economic field, but as a repudiation of much that has been accomplished under our leadership in that field.

As General Marshall has indicated, taking a step toward abandoning our reciprocal-trade program—and that is

what passage of the bill in its present form represents—would sabotage our program of international cooperation, turn the European recovery program into little more than a relief program by discouraging the trade on which permanent recovery must depend, and would practically junk the International Trade Organization, which we have sponsored.

We must not forget that removing the barriers to international trade is a basic objective and a contractual obligation in the European recovery program. Without the authority to negotiate trade agreements, and to participate in orderly adjustment of commercial conflicts, the United States would be in the position of demanding of participants in the ERP obligations which we ourselves are unable to fulfill.

In these days of world crisis and cold war the United States needs vision. By its courageous action in enacting the ERP legislation the Congress showed that it can accept world economic leadership, even when it costs billions of dollars and might entail difficulties in the domestic economy.

We are now called upon to match that vision with a still longer-run vision.

The very philosophy of the European recovery program is that European countries should recover their economic strength and once again get their industries and agriculture back into production.

The European countries do not want to continue to live on international hand-outs. They want to become self-supporting as rapidly as is humanly possible. But, in order to do so, they need American goods and equipment; and the only way they can pay for such materials is to have markets for their goods—markets, that is, which will yield them dollars.

There is only one place in the world where United States dollars can be made available and that is the United States. But, unless we continue giving the dollars away we shall have to give them in exchange for something—for goods. Some of these goods are bound to be competitive with the products of American industry and agriculture—unless we are going to consume, in far larger quantities, bananas, coffee, and other products not now dutiable, than we have ever consumed before. I fear if we are to rely upon such imports to provide the dollars necessary to enable the multilateral trading system to return we shall have to require a daily consumption of bananas to a degree that will have alarming gastronomic implications.

The United States has just taken the leadership in proposing a world charter for international trade which, notwithstanding its shortcomings, does point toward the return of a world multilateral trading system. Even my Republican colleagues are in general agreement that should be a principal objective of our foreign commercial policy.

Next year the ITO Charter is to come up for congressional ratification. Essential to it is the commitment that each signatory nation shall endeavor to reduce its trade barriers through negotiation. If we now abandon the Trade

Agreements Program Act, after having taken the lead in drawing up the Charter, where does that leave us in the eyes of the world, particularly that part of the world that does not understand our congressional system with its checks and balances?

It is probably true that for the next few years not much use will be made of the power to reduce duties any further. But, that is no reason for playing into the hands of those who are anxious to discredit this country. The direction in which the United States has been moving is clear. Let us not change that direction so materially that it will arouse suspicion on the part of other countries to whom it is so important that we show that the American brand of democracy can work. Let the opposition not, in its enthusiasm to undo what has been accomplished since 1933, undo the larger accomplishments we have already achieved, and hope still to achieve in the months that lie ahead, in the game of international politics. Nothing would please the Moscow propaganda machine more, right now, than to be able to point to a reversal on the part of the United States of its economic foreign policy and to tell the peoples of western Europe and Latin America, "We told you so."

But it is not only because of the international implications that abandoning our liberal foreign trade program would do damage the bill would give the Tariff Commission a veto power in the interests of particular domestic producers over United States trade concessions, regardless of the national welfare.

Under our present system, a diversified group of advisers to the President balances the claims of all groups and recommends what it regards as in the national interest. It considers the farmer as well as the manufacturer; it considers national security as well as private profits. It considers the consumer as well as the producer.

In contrast, under this bill, the Tariff Commission must make decisions based simply on the question of whether a reduction might cause, or even threaten to cause, serious injury to some particular producer or class of producers, and that criterion alone overrules all others.

If the stagnation and eventual abandonment of the program and return to high tariff rates for which this bill would pave the way is allowed to occur, it means that for the benefit of a few producers who may happen to be in an unfavorable position the United States, with half the world's productive capacity and an efficiency that gives us a unit cost lower than any other nation on most items, will force restriction of output on our most efficient producers who need export markets. That means denial to our people of the higher standard of living they might enjoy by fair exchange for the products of other nations, and a reduction in domestic employment.

This is not the attitude that should be taken. The Reciprocal Trade Act should be extended for a length of time that will not suggest to the world that we are on the verge of abandoning it. And the law should not be undercut with unworkable provisions.

It is time for us in the American Congress—Republicans and Democrats alike—to rise above political partisanship.

The bipartisan foreign policy of which we have a right to be proud is a fine thing, but it will prove to be hollow mockery if it is not implemented by a genuine bipartisan economic foreign policy geared to the long-run self-interest of the entire Nation. Cooperation in the formation of a host of international organizations—laudable though their objectives may sound in the abstract—will prove to be put an empty gesture if the United States, the only solvent democratic nation in the world today, shrinks back into the shell of economic self-containment.

Many of our wartime allies are on the verge of economic disaster. Without help from us they are in grave danger of toppling over the brink of totalitarianism—either of the right or of the left. With help from us there is at least a fighting chance they will stiffen their resistance to totalitarian pressures. Hungry men, in the despair of economic depression, are more likely to succumb to the charms of dictators than are freemen who can, without denying bread to their children, maintain the dignity of liberty and the preservation of democratic processes.

It is fantastic to conceive of the United States supporting the democratic world on a WPA basis. To pursue that route would be to sap the vitality of our own economy. The only sane way out is to help these people to help themselves—to assist them along the long, slow road of economic reconstruction. In the short run that means loans and technical assistance, which we have agreed to provide through the European recovery program. But in the long run it means a willingness on our part, as the world's only important creditor nation, to accept their goods in payment of our loans.

That is why the reciprocal trade agreements program is so important. For it is a demonstrated and practical means of stimulating international trade. If we actually are willing to lower our tariff barriers sufficiently to permit our debtors to repay us, is it unreasonable to expect that they, in turn, will be willing to abandon the numerous discriminatory devices—state trading, quotas, bilateral preferences, and so on—to which they have resorted to balance their own international accounts in the face of their inability to generate exports.

If, however, the United States persists in paying lip service to the ideal of multilateral trade, while practicing restrictionism against the leading exports of the debtor countries, there is but slight chance that those countries will be able to keep from moving toward dictatorship.

Former Secretary of State Cordell Hull, to whom the reciprocity program owes so much, stated the case well when he said in his statement recommending extension of the act this year:

Today our Nation and all nations need more than ever before to cooperate wholeheartedly in establishing, in as large an area of the world as possible, the conditions of political liberty, economic progress, and en-

during peace. The attainment of these conditions of civilized life especially requires that the peoples of the world have an opportunity to trade with one another to their mutual benefit and with a minimum of stultifying restrictions. The trade-agreements program provides the most effective framework for the realization of that opportunity. The continued existence of the program is indispensable if our Nation and all nations are to look confidently to a brighter future.

Winston Churchill and Cordell Hull are the two greatest living statesmen of the world. We applaud the remarkable foresight of Mr. Churchill, as recounted in his current memoirs, in evaluating steps that would lead either to or from War. We applaud the remarkable skill with which Cordell Hull handled our foreign affairs for 12 critical years, and deplore the instances in which his advice was ignored.

Mr. Churchill is taxing his failing strength in an effort to establish a union of democracies in Europe in which extreme nationalism and disastrous trade restrictions will give place to a spirit of cooperation and freer trade both in Europe and throughout the world. From a sickbed in a local hospital, Cordell Hull sends us the plea I have just read for international cooperation and freer world trade as a basis for an enduring peace. Yet, many Members of this distinguished body are planning, when the vote comes on an amendment to continue unchanged for another 3 years the Hull good-neighbor and mutually beneficial trade program, to vote that down and then vote for the pending bill which will nullify the efforts of Mr. Churchill and Mr. Hull to prevent a third world war.

I earnestly express the hope that this legislative body, which has the power to influence the trend of world affairs, will be persuaded to show the world that we are not about to renege upon our program of international cooperation as expressed in the Atlantic Charter, the Charter of United Nations, and legislation recently passed to implement the Marshall plan.

Mr. MILLIKIN. Mr. President, I yield 20 minutes to the distinguished senior Senator from Michigan [Mr. VANDENBERG].

Mr. VANDENBERG. Mr. President, I am sure I do not need to make it plain that when I endorse the pending measure, I do not believe I am, in the first place, violating our bipartisan foreign policy; in the second place, that I am undercutting our foreign-aid program; or, in the third place, that I am veering back toward an economic isolationism in which I do not believe. I am bound to say, with great candor, that I think arguments trying to impute these results to the pending proposal are what I believe lawyers call irrelevant, incompetent, and immaterial.

Mr. President, when this bill came from the House, I issued the following statement, which I wish to read into the RECORD:

The reciprocal trade agreement principle should be preserved unweakened. It is indispensable in today's world. This rules out any congressional veto on tariff rates. I shall not support this feature of the House bill.

But it does not rule out legitimate procedural precautions to prevent excessive tariff reductions which threaten domestic industry and labor. I favor the practical use of the United States Tariff Commission to set the safety limits within which the President may freely negotiate. This is in the House bill. But if the President finds it is in the national interest to negotiate beyond these limits, it is sufficient restraint to require him to publish the Tariff Commission recommendations with his disclosure of their breach. This was recommended 1 year ago by Senator MILLIKIN and me in connection with the Executive order issued at that time.

The length of extension of the act is of no great consequence. There are no more agreements to be presently negotiated. International trade practices are in constant flux and our attitudes must be responsively resilient. Since the character of the act will always depend upon administrative judgments, the real decisions will be made after the next elections. I prefer an extension of 3, or at least 2 years for the sake of underscoring what is now an indispensable principle in healthy trade for us and our customers. But the time of the extension is largely academic under existing circumstances.

Mr. President, the pending proposal substantially meets the specifications set down in this statement. I shall support the proposal without any fear that it injures the reciprocal trade agreements principle in the slightest degree. On the contrary, I think the proposal strengthens the principle by eliminating some of the complaints against it.

There is nothing incompatible between fidelity to the reciprocity principle and fidelity to legitimate, minimum tariff protections for American industry, agriculture and labor where reasonably required. There is nothing inconsistent in supporting procedures which protect both of these objectives. On the contrary, the reciprocal trade agreements principle is actually strengthened if domestic opposition to it is sharply reduced by procedural improvements which meet criticisms and remove fears without impairing essential executive authority to make tariff bargains pursuant to the congressional act which we here extend.

In my opinion this is precisely what the pending proposal does, and, with great respect, I think the State Department's stubborn view to the contrary is unfortunate for the sake of the cause.

The only innovation in the pending proposal is to require the United States Tariff Commission to advise the President of "peril points" below which a tariff negotiation cannot go in respect to the commodities involved, without threatening serious domestic damage; and then, if the President still thinks it is in the public welfare to go still lower, to require him to report the facts to Congress.

The President is not bound by the "peril points" set by the Tariff Commission. He is just as free as he is today to negotiate the full 50 percent tariff reduction authorized by law if it be his judgment that other considerations in the public interest are persuasive. His sole restraint, if any, lies in the requirement to report to the Congress from which he gets these delegated bargaining powers. I submit that this becomes a restraint only in the event of a reckless or capricious use of his bargaining power which would make such a report embar-

rassing. The American domestic economy has a right to some element of at least indirect protection under such circumstances. If it is to have any at all, it could not have less than is here proposed.

If this formula gave the Tariff Commission the final authority—making it superior in power to the President—I would not support it. I would agree that it would impair the act. I would agree that it would be a bad thing thus to rest international trade reciprocity exclusively on Tariff Commission mathematics or attitudes. But it does nothing of the sort. The President would remain a free agent, as in the act that has just expired.

If this formula gave Congress the last word in respect to rates, I would not support it. Tariff rate-making in Congress is an atrocity. It lacks any element of economic science or validity. I suspect the 10 Members of the Senate, including myself, who struggle through the 11 months that it took to write the last Congressional Tariff Act, would join me in resigning before they would be willing to tackle another general Congressional Tariff revision. But the pending formula does not bring reciprocal rates back to Congress for action. It merely brings them back, under occasional extraordinary circumstances for information.

I would not want to think the Reciprocal Trade Agreements Act has to be afraid of Congressional knowledge as to what goes on within its jurisdiction, although I must confess, Mr. President, that I have been shocked, in the courts of today's debate, to hear the able chairman of the Senate Committee on Finance assert that his committee was denied access to the hearings of the Interdepartmental Committee, upon whose recommendations the recent Geneva tariff agreements were written. If we have reached a point where Congress not only cannot ask for information, but is denied existing official information upon which final action is taken, the time certainly has come to look around for some new light-letting device. We cannot proceed indefinitely with our economy at the mercy of an iron curtain.

There is nothing novel or sinister in using the Tariff Commission for the precise purpose for which it was created. Turn to page 726 in your current Congressional Directory and you will find, in the official definition of its duties, that the first job for which it was created was "to fill the long-felt need for an independent organization to supply factual information"—to whom?—"to the President and the Congress." That is the function which this pending proposal seeks to have it exercise. I am sure no President will find himself handicapped by such advice.

I happen to be one of those, Mr. President, who believes the reciprocal trade agreements practice is very necessary in this postwar world. There are many among us, however, who feel otherwise. I know that my distinguished friend, the chairman of the Senate Finance Committee, among others, has serious misgivings on this score in many aspects.

When they are willing to seek a meeting of minds on such a basis as is here proposed, which leaves the reciprocity principle intact, I think they themselves deserve "reciprocal" cooperation from the friends of the act. I think they deserve this consideration because except as we can find a meeting of minds there will be no legislation upon this subject at the present session; and I do not prefer to contemplate that alternative.

If it be argued that this consultation of the Tariff Commission will complicate and delay the bargaining process, I reply that I think the Commission can function just as expeditiously as can the interdepartmental committees, which are presumed to be part of the existing process under the old law. Furthermore, there are few—if any—new agreements to be negotiated in the immediate future; and this is the best possible time to experiment with a device which has no other purpose than to underscore the fact that, though our interest in foreign trade is great, there comes a competitive point where we dare not ignore the domestic preservation of our wage scales, our industrial and agricultural production, and our markets here at home.

The only thing in the text of the proposal as reported which has given me any concern is the fact that the Tariff Commission, by a failure to act expeditiously, might operate, in the net effect, as a sort of veto upon the free use of Presidential authority.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Colorado.

Mr. MILLIKIN. We have agreed to accept an amendment which will put a time limit on the proceedings of the Tariff Commission respecting any trade agreement whatever.

Mr. VANDENBERG. I thank the Senator for that statement. I was about to observe that when the able Senator from New York [Mr. Ives] made his proposal along this line an hour or two ago, I thought he was closing one of the two possibly legitimate avenues of argument against the pending proposal.

The other thing which has given me some concern was the question raised by the Senator from Vermont [Mr. Flanders] respecting the possibility of a narrow application of the needs clause to marginal producers. Here, again, I understand that the chairman of the Committee on Finance is prepared to accept an amendment which removes the possibility of this difficulty, and asserts the application of the needs clause to the major factors in a given industry or agricultural situation, and does not put the negotiations at the mercy exclusively of the marginal producer.

Mr. MILLIKIN. Mr. President, will the Senator from Michigan yield?

Mr. VANDENBERG. I yield to the Senator from Colorado.

Mr. MILLIKIN. Language has been agreed upon between the legislative counsel, the Senator from Vermont [Mr. Flanders], the Senator from New Jersey [Mr. Smith], and I believe the Senator from New York [Mr. Ives] is

also interested in the matter, which covers the point to their satisfaction, and to the satisfaction of the chairman of the Senate Committee on Finance.

Mr. VANDENBERG. I thank the Senator. I am glad the Senator from Vermont and the Senator from New York raised these two points, and I think that with satisfactory and adequate answers to these two suggestions, the pending proposal is bombproof in its right to the affirmative vote of the Senate.

Mr. IVES. Mr. President, will the Senator from Michigan yield?

Mr. VANDENBERG. I yield to the Senator from New York.

Mr. IVES. Because of his preeminence in the field of foreign relations, and because of the great ability of the distinguished Senator from Michigan, his opinion carries with me a great deal of weight. I have been among those, of whom I know there are many, who have thought that a 3-year extension of the Reciprocal Trade Agreements Act in its present form is most advisable. However, the course of the debate today, the presentation by the distinguished Senator from Colorado, and now the presentation by the distinguished Senator from Michigan, have convinced me that such an extension probably would be unwise.

Therefore, I desire to ask the Senator from Michigan a very simple question. Does he think definitely that a 1-year extension, in the form of the bill now before the Senate, amended, as I hope it will be—including my own amendments—before it reaches a final vote in the Senate, is the proper course to take, and is better than a 1-year extension of the Reciprocal Trade Agreements Act in its existing form?

Mr. VANDENBERG. I do; and I shall proceed to give the Senator my reasons why I think it is advisable to proceed with a 1-year extension at the present time.

Mr. IVES. I thank the Senator.

Mr. VANDENBERG. In the first place, the very fact that we are about to experiment in good faith with a new device to protect the procedural integrity of the Reciprocal Trade process suggests to me that it is highly desirable that that experiment should occur in a short period of tenure for the act, so that if we unwittingly do any harm—and I am perfectly sure we will not—we shall not have to wait very long to overtake it. But fundamentally I think the able Senator from Colorado earlier today presented an utterly invincible reason why it is almost impossible for the Congress intelligently to extend the Reciprocal Trade Agreements Act beyond 1 year at the present time, and I shall undertake to underscore the logic of my able friend from Colorado on that point.

Mr. President, I doubt whether Members of the Senate fully appreciate the amazing extent of the so-called prospective ITO—the International Trade Organization—which, after many, many months of preliminary effort, finally crystalized in the Charter for the ITO, which was adopted at Habana on March 24, 1948.

The ITO Charter is almost as important in its scope and economic applica-

tion as the Charter of the United Nations is in the field of collective security. It is fully as comprehensive as the United Nations Charter in many of its aspects. It has been built largely as the result of the same type of evolution which the United Nations Charter had. It was born originally back in 1945 when the State Department published its preliminary memoranda on the subject. It was developed subsequently as the result of a resolution of the Economic and Social Council of the United Nations. It finally came to fruition in the conference at Habana which met from November 21, 1947, until March 24, 1948.

I undertake to assert, Mr. President, that the ITO Charter encompasses all the fundamentals in respect to international trade which are involved in our reciprocal trade agreements, and infinitely more.

I call to the attention of Senators, because I think they should be intimately familiar with the fact, that when we talk about the ITO we are not talking about any casual experiment in international economy. We are talking about a fundamental reorganization of the economy of the earth. I want to be sure Senators understand that fact, so I call their attention to a publication of the Department of State entitled "The United States Reciprocal Trade Agreements Program and the Proposed Trade Organization."

The PRESIDING OFFICER. The Chair would remind the Senator from Michigan that his time has almost expired.

Mr. MILLIKIN. Mr. President, I yield further time to the Senator from Michigan.

Mr. VANDENBERG. I shall conclude very briefly. I want Senators to understand that this document issued by the State Department outlines the ITO prospectus as involving the following undertakings:

1. Maintain productive employment and buying power within their own borders as a means of stimulating trade and to do so without injury to each other's economies.
2. Encourage private and public international investment by subscribing to a code of principles and to recognize the need for economic development in less developed areas of the world.
3. Negotiate for the reduction of all types of trade barriers.
4. Eliminate discrimination in international trade except under certain limited circumstances.
5. Conduct international trade between private enterprise and public enterprise according to principles of nondiscrimination and fair dealing.
6. Curb and regulate within their own jurisdiction monopoly operations which limit production, set prices, allocate markets, or otherwise restrain and minimize the production, distribution, and consumption of goods.
7. Accept a code of principles to govern the formation and operation of intergovernmental commodity agreements.

In a word, Mr. President, the ITO Charter is all-encompassing and utterly fundamental in respect to the entire structure of international trade. It cannot reach the Congress for its consideration until next spring. I respectfully submit that the question of integrating our reciprocal trade agreement practices

into the prospective structure of the ITO, if it should be the judgment of Congress ultimately to join the ITO, reduces to an axiom the proposition that action here on the extension of the Reciprocal Trade Agreements Act at the present time should be limited to 1 year.

I say this in conclusion, Mr. President. The way permanently to stabilize the reciprocal-trade-agreement principle in our export-import economy is not to deny all honest efforts to meet legitimate misgivings regarding its possible hazards; but, rather, to seek in good faith an improved formula which can permanently unite the country behind it.

The last word on the subject was not written when the Reciprocal Trade Agreements Act was framed. It is not untouchable in its prudence and its wisdom. The President himself acknowledged this fact when he issued an Executive order 1 year ago making escape clause changes in the formula. The President has no monopoly upon these efforts to improve the formula. Congress is constitutionally responsible for tariffs, and it can and should join in all these sympathetic efforts to make the reciprocal formula so right that it will become the accepted, standard practice in our economy and immune to attempts at future nullification.

I happen to be one of those who has come to believe that the reciprocal formula is indispensable to our economy in this postwar world. I shall never support any effort to tear it down. But neither shall I ever take the untenable position that it cannot be improved. In the name of its improvement—and without the slightest danger of undermining its validity—I think the proposed experiment is well worth while from the standpoint of its friends.

Every essential reciprocal power is preserved. The only change may well prove, by experience, to have successfully removed a large area of opposition while creating a better formula better to serve the total necessities involved. If this is the pending situation, and I believe it is, the pending extension proposal should pass.

Mr. BARKLEY. Mr. President, I yield 20 minutes to the Senator from Illinois [Mr. LUCAS].

Mr. LUCAS. Mr. President, I listened with great interest to the distinguished President pro tempore in his attempted justification of the committee amendments, and especially to the first part of his speech, wherein he discussed many points that those opposing the amendment have made, which he said the lawyers would call irrelevant.

Mr. President, the able Senator from Georgia [Mr. GEORGE] today made one of the outstanding speeches of his career on reciprocal trade agreements. He has lived with tariff and trade questions throughout his career in the Senate. He raised all those so-called irrelevant points to which the Senator from Michigan referred, and when it comes to accepting the definition of what is "relevant" and what is not upon reciprocal trade agreements I would rather stay with the Senator from Georgia on that question.

With respect to the question of the President being able to disregard the advice of the Tariff Commission, certainly he has that power, as the distinguished Senator has said, but, as was ably pointed out by the Senator from Georgia, what President of the United States would dare, in a democracy such as ours, to override the Tariff Commission created by the Congress, after it had studied for weeks and for months and possibly for years and submitted its findings with respect to the crucial minimum-maximum peril points involved in trade agreements. I undertake to say that if the distinguished Senator from Michigan should ever to be sitting in the White House he would hesitate and pause before he would override what the Tariff Commission advised him to do under a straight and strict mandate laid down by the Congress of the United States.

Some things have been said about a meeting of the minds. Everyone would like to see a meeting of the minds upon this proposition, Mr. President, but for the last 13 years the same group of individuals who are now trying to kill the reciprocal trade program has been fighting reciprocity from the standpoint of international trade and amity through trade agreements.

Every member of the Finance Committee with the exception of the able Senator from Pennsylvania [Mr. MARTIN] has voted consistently against extension of these trade agreements when they came up from time to time. Their basic philosophy is entirely different from the philosophy of those who believe in the reciprocal trade agreements. The concept of high tariff is involved in this amendment, notwithstanding the opinion of the Senator from Michigan to the contrary. Let anyone who thinks it is not read the records and the speeches of those who in the past have consistently condemned and attempted to crucify the reciprocal trade agreements, both in the House and in the Senate.

What does Representative GEARHART say about this amendment? He said, "It is swell. I got 95 percent of what I offered and was passed in the House of Representatives. The only thing that was eliminated was the veto power of the Congress of the United States over the President's decision on trade treaties."

Mr. President, a meeting of the minds on these trade pacts would be helpful and constructive at this juncture in national and international affairs. We have it on one phase of the foreign policy of this country; but I must most emphatically disagree with the Senator from Michigan when he says that this has nothing particularly to do with our bipartisan foreign policy. I undertake to say that this is the other half of the Marshall plan. The same principle was written into the Marshall plan, as the able Senator from Georgia pointed out when he read the words that the Congress wrote into that legislation, telling the countries of Europe what they had to do in the way of cooperation, in the way of eliminating trade barriers, in the way of trading with one another, in the way of lowering their tariffs—the

very thing that has been accomplished under the reciprocal trade agreements program.

Mr. President, this program is most vital to the bipartisan foreign policy of this country. The bill before us is indefensible and wholly unjustifiable. That is especially true in view of the fact that every witness who appeared before the Finance Committee told us that his industry was receiving no injury or threatened injury, and that it had received no injury for 13 years under the reciprocal trade-agreements program. I cross-examined practically every witness. The record will show that not a single witness testified to injury. Representatives of the wool industry and the high-tariff advocates who fought this program from the beginning came before us and testified. All testified against the State Department. All were feuding with Will Clayton. But when they were asked, "How has the wool industry been injured?" or "How has the china industry been injured?" they had to admit that no injury has been done under the reciprocal trade-agreements program. Dr. Martin, of the china group, who made a devastating speech against Will Clayton, and nothing else, had to admit that in 1947 his industry made more money under the reciprocal trade-agreements program than at any other period in its history.

Mr. President, what is all the shooting about? Where is the injury? Where is the threatened injury? Let the Senator from Michigan point it out. Let the Senator from Colorado point out who is threatened, and where the injury is.

Ah, Mr. President, the shooting is over the basic philosophy involved in the Hull trade programs. The same interests to whom I have referred are getting their nose under the tent through this amendment, and their purpose is the ultimate destruction of the trade program. We shall not have any trade program if this amendment goes through. That is exactly what some interests want. We might as well not have any program as to take this amendment as it is.

Who supports the renewal of this program without any crippling amendments? Let me read them: United Textile Workers of America; United States Associates of the International Chamber of Commerce; Women's Action Committee for Lasting Peace; American Chamber of Commerce in France—that was the American Chamber of Commerce meeting in France in April 1943—National Peace Conference; Citizens' Committee for Reciprocal World Trade; National Women's Trade Union League; National Foreign Trade Council; American Farm Bureau Federation; National Farmers' Union; Importers' Association of Chicago; Customs Brokers and Forwarders' Association; Small Business Advisory Committee, and many, many other groups in this country are supporters of the reciprocal trade program.

The only individuals who testified before our committee who were against it were: Dr. Robert F. Martin, executive secretary of the Vitrified China Association, and Arthur Besse, of the National Association of Wool Manufac-

turers, who advocated the passage of House bill 6566, and was frank enough to say that he wanted all this legislation repealed, and wanted to return to the good old days; Charles Holman, secretary of the National Cooperative Milk Producers Federation, who testified definitely—and the Senator from Michigan should have read his testimony—that this bill points in the direction of the good old logrolling days of the Smoot-Hawley tariff, and he was glad that it did; Mr. H. Wickliffe Rose, representing the American Tariff League of New York, a group of extreme protectionists who all these years have had headquarters managed, operated, and financed by the special interests of this country who have continuously and constantly challenged and threatened the reciprocal trade program, and who are now doing so, also testified against the program. There were a few others, but not one reported an injury to the industry.

The Trade Agreements Act sponsored and developed by Cordell Hull has proved to be a sane and progressive course in sound international economics.

Irrespective of any opinion to the contrary, the pending measure involves the very philosophy of the Hull trade program—a philosophy upon which honest men have differed over the years. I hope that the American people will not be deceived in believing that this amendment is a mere change in procedure. Let no United States Senator believe that a vote for this amendment is a vote to renew or extend the Hull reciprocal trade program. There is as much difference as the difference between day and night. This bill in the nature of a substitute from the House bill strikes at the very heart of the present trade program. The amendment has its genesis in a high protective tariff for the producers of this Nation—an outmoded doctrine which brought this country to the abyss of economic destruction under the Smoot-Hawley Tariff Act of 1929. This is suicidal legislation for two-way trade in the international field, which is so necessary in the Nation's over-all foreign policy.

The Hull program is the other half of the Marshall plan; and any deviation from a program that has been a success over a period of 13 years strikes a hard blow at international amity, peace, and good will.

It should be remembered that we are the greatest of all creditor nations; and if we expect our loans to be paid they must be paid in terms of goods. It must be obvious to any prudent mind that we cannot hope to export the great surplus of basic commodities produced in this country without also importing. If we sell abroad we must buy abroad.

When the Gearhart bill was passed in the House of Representatives, Secretary of State Marshall said that the crippling amendments preserved the form but destroyed the substance of the act. He further stated that it would be just as well to have no program at all as to attempt to operate under the provisions of the Gearhart bill.

As I stated a moment ago, Representative GEARHART definitely said that he got

95 percent of his bill when he got the amendment now before us reported out by the Finance Committee of the Senate.

Mr. President, it is difficult for me to understand why the Republicans in this Congress did not seek on out-right repeal of this act. I repeat—every member of the Finance Committee except the distinguished Senator from Pennsylvania [Mr. MARTIN] has in the past voted against the extension of the reciprocal trade program as is. Even though I am convinced that their theories of tariff and trade are outmoded and outworn, I respect their judgment and know they are honest in their convictions; but why it is that these same gentlemen use a flank attack instead of an all-out frontal attack is beyond me. Because, Mr. President, a majority of the American people cannot be fooled in an election year with a side-door move of this character.

Mr. President, the majority may have the votes today, perhaps, to put through this concept of high protection. This doctrine may prevail for a moment, all to the detriment of the United States and the world at large. The clock of progress may be stopped for a while but not for long. America, the great creditor Nation which she is, is the admitted leader in the non-Communist world; and there can be no retreat on the economic, military or political front.

Mr. President, the majority may retard this progress of international trade and tariff, but it cannot be crippled without returning to the smugness of economic isolation which in due course will destroy the Nation, in a world in which our influence has become decisive. Mr. President, let no one seriously contend that this bill will not be a step in that direction, if today we pass this bill amending the Reciprocal Trade Agreement Act. That is what the witness Charles Holman said, and many other high protectionists agree with him—yes back to smugness and complacency, back to economic isolation which has caused us a great deal of trouble in the last few decades.

THREATENED INJURY

Mr. President, this bill lodges with the Tariff Commission the power to make an exhaustive investigation and to report to the President the findings of the Commission with respect to the peril points upon all of the articles listed in the agreement. Nothing can be done in the way of carrying out a trade agreement by the President until the Tariff Commission makes its findings with respect to the injury to any domestic producer.

Mr. President, this is a doctrine that proceeds purely upon the basis of protection, irrespective of how inefficient a producer may be. Uneconomic considerations upon the part of producers are ignored if the Tariff Commission follows the plain meaning of the act. But who has been injured, Mr. President, under the present reciprocal trade agreements program? As I have said before, no one. The amendment which has been offered by the Senator from New York, and which perhaps will be agreed to, is not the answer at all. It may be the answer to the Senator from New York;

he may be satisfied that the answer will be supplied by his amendment if it is adopted; but apparently those who take that position do not understand what is in one of these trade agreements. The able Senator from Georgia said that in making an exhaustive research, to determine the peril point, it is necessary to follow the theory of cost of production under the Smoot-Hawley Tariff Act; and when that is done with the hundreds of different articles that are in one of these trade agreements, it is impossible to end the work within 3 or 4 months and do an efficient and capable job. Mr. President, it might take a year or a year and a half, in the case of some of these trade agreements before the cost of production could be determined and before determination could be made of the facts on which to base an opinion to be presented to the President of the United States. Under this amendment the Tariff Commission cannot take a calculated risk; they must have the facts. It cannot take a chance of sending to the President of the United States a recommendation that is not based on the facts.

Mr. President, the evidence before the committee is undisputed and unchallenged that not a single industry in America has been injured or even threatened with an injury under the present program; and the escape clause which is now written into every international agreement amply protects American industry by giving the one who is injured an opportunity to come before the proper committee and present facts upon which the injury is based. If the facts justify, specific relief is mandatory where an industry is threatened with economic injury.

On cross-examination of one witness after another, they have to admit that their particular industry had not been harmed or injured in any way under the reciprocal trade program, but the same philosophy that dominated the Finance Committee dominated these witnesses who, from the very beginning, have been the personification of high protection.

THE 1-YEAR EXTENSION

Mr. President, a 1-year extension of this program in an election year cannot be lightly dismissed. Indignation as to this proposed limitation has been expressed by representative Americans from coast to coast. I had hopes that the majority would not inject politics into this part of our foreign policy. I had hoped we might stand by the reciprocal trade program as we did with respect to the Marshall plan—in short, that our approach might be devoid of partisanship, and in the interest of the peace and security of our Nation. Mr. President, those Americans and the rest of the people of the world, believing in these trade treaties, know that this kind of an amendment represents a complete change of policy on our part. Our behavior under the circumstances should in no way give the nations of the world an opportunity to condemn our action in making another fundamental and basic change in foreign policy at a crucial moment in the rehabilitation of the world.

Twelve months from now, under a 1-year extension, this issue will again be before the Senate. During those 12 months, our economic policy at home and abroad would remain absolutely stagnant under this bill. Six countries in western Europe do not have reciprocal trade agreements with us; and we can safely gamble that no negotiations will be had with any one of those nations under this amendment providing for an extension for a period of 1 year.

Mr. President, in conclusion, I say that irreparable damage will be done to the economy of this Nation and the world if this bill becomes the law. There will be undesirable repercussions throughout America and throughout the world. A change in policy will definitely undermine world confidence in the sincerity of our leadership. Last, but not least, a failure to renew these reciprocal trade agreements without any restrictive amendments and for a period of at least 3 years will be construed by those who know as a negation of what we wrote into the European recovery program.

I yield the floor.

Mr. MILLIKIN. Mr. President, I yield 15 minutes to the Senator from New Jersey [Mr. SMITH].

Mr. SMITH. Mr. President, since I have been a Member of the Senate, I have been an uncompromising supporter of every measure that has looked in the direction of international cooperation, led by the United States, to preserve the peace.

Three years ago, when the reciprocal trade-agreements program came up for extension, I considered its relationship to our over-all role in international affairs, and I supported that program in the spirit in which it was presented. To my mind, it is intimately related to the United Nations Charter and its whole development, and right now it is intimately related to the Marshall plan, the plan of Economic Cooperation Administration; and, as has been pointed out earlier today, it is also intimately related to the International Trade Organization.

I yield to no one in my allegiance to that approach to our international problems. As a member of the Foreign Relations Committee, I think my colleagues will bear witness that I have always supported measures looking for full cooperation with the other nations of the world. Therefore, I have always been sympathetic toward and a supporter of the reciprocal trade agreements program, as distinguished from the old method of unilateral tariff-schedule writing.

Mr. President, I supported the reciprocal trade agreements program as a step in the direction of economic cooperation in the world, just as the other measures I have mentioned were steps in the direction of political cooperation in the world. I consider the reciprocal trade agreements program no longer a question as between high tariff and free trade or unilateral tariff schedule writing. It is simply a question of how we are going to work out our relations with the other nations of the world, and how we are to determine our future trade relations.

So I look forward with interest to the presentation here next year of the so-called International Trade Organization proposal. I feel now, although I have not studied the outline carefully, that I shall be in sympathy with the spirit of that proposal. But because that movement is coming to our attention for action next year and because we shall review, year by year, the whole so-called Economic Cooperation Administration—the Marshall plan—I think we will be sound in our judgment if today we take the position that whatever we do in connection with the Reciprocal Trade program should be done under a one-year extension of the present act.

The question we have to face is whether in the light of world developments which are entirely new and different from any prior to World War II, or, for that matter, prior to World War I, we shall approve an expansion of our international trade. I take the position that the Economic Cooperation Administration movement, the building up of the nations of western Europe under the so-called Marshall plan, is all in the direction of a reorientation and expansion of our prewar international trade policy. Therefore, we have before us the question of how best we can implement and strengthen and carry out the existing reciprocal trade agreements program. I think it is a well-established program and one which we must continue to support rigorously. I would be definitely opposed to a return to the old unilateral logrolling tariff system. I have so stated time and time again; and I feel that that question need not be raised here, for it has been definitely settled. Today, we follow the reciprocal trade agreements approach, and we must continue to do so.

So we have the question of how best to deal with this matter. That brings me to refer to the feeling I have had, despite the fact that I have fully supported the trade agreements program, that the way in which our industries have been taken care of in connection with the writing of the treaties was not adequate from a procedural standpoint and did not quite fit in with our American tradition of giving parties in interest full and adequate hearings.

I do not think we should be in the position—and that is why I am defending the so-called Millikin amendment—of saying we will leave it solely to the discretion of the President, whether a Democratic President or a Republican President, of determining the basis on which trade agreements shall be negotiated. There ought to be some place, somewhere, where unbiased objective statistical material should be available and properly used in arriving at the conclusions. Therefore, even as long ago as three years, when I supported the extension of the trade agreements act, I made this statement in a speech I delivered in the Senate on June 13, 1945, when I was referring to the industries in my own State:

Mr. President, I want to say to those industries in New Jersey, and to industries in other parts of the country, that, in my

judgment, their interests can be better looked after by us, their Representatives here in Congress, under the reciprocal trade agreements procedure than they could be under the old unilateral-tariff-schedule method. We will continue, of course, to have the battle between high- and low-tariff advocates, but I believe that can be carried on more effectively with the assistance of an expert tariff commission working with our State Department and the other departments now included in the trade-agreement negotiations, than it could under the old "you tickle me—I'll tickle you" formula.

I quote that from my statement at that time when I was defending the extension of these agreements, because even then I felt that the tariff commission should be used to get at the facts. I feel it is consistent now as we have had experience with the matter for the Congress to say today we will continue the trade agreements program for a year only, because other international problems are coming up within that year. I think of the ECA, I think of the ITO situation. We will continue for a year, but we will place more emphasis on the use of objective material such as the Tariff Commission is supposed to furnish us.

In the light of the able discussions by the Senator from Georgia [Mr. GEORGE] and the Senator from Illinois [Mr. LUCAS], wherein they tried to point out that any President would hesitate to take action counter to the findings of the Tariff Commission, I shall have to ask them the question, "If you take that position, why do we not abolish the Tariff Commission? Why do we keep the Tariff Commission? Why is there a Tariff Commission, unless it can be expected to furnish effective, objective information on which those who have to decide the policy can act?" The amendment offered by the Senator from Colorado [Mr. MILLIKIN], clearly leaves the ultimate decision to the President. Although it probably requires him to take the objective studies of the Tariff Commission into consideration.

We have made it very clear, there is no appeal to the Congress. If the Tariff Commission makes certain findings and the President finds differently, there is no appeal to the Congress as provided in the House measure. I would have been definitely opposed to that, because I think it must be a matter of executive discretion in determining what trade agreements should contain. The executive must consider the entire world situation. But I maintain that it is proper and right that we should lay emphasis on the fact that the Tariff Commission, which is organized to get the data objectively and in a bipartisan way, since it is half Republican and half Democratic, should furnish its material before the decisions are made.

Mr. BALDWIN. Mr. President, will the Senator yield? Does he have enough time to yield for a question?

Mr. SMITH. I am limited in my time, but I shall be glad to answer a question from the Senator.

Mr. BALDWIN. I first want to say I think the distinguished Senator from New Jersey is definitely on the right

track. I would subscribe to what he says heartily. But as I understand him, under the law as it now exists, the only representation which the Tariff Commission has in the group that offers advice with reference to reciprocal trade agreements is only one Member out of six. Is not that correct?

Mr. SMITH. That is correct, as I understand; it is the Chairman of the Tariff Commission, and, as was stated earlier this morning, I think by the Senator from Colorado, in quoting from Mr. Gregg, who is a member of the Commission, Mr. Gregg himself felt it would be better practice from the standpoint of properly safeguarding our industries if the view of the entire Commission were obtained than if only one member of the Commission had a voice in the considering of trade agreement programs.

Mr. BALDWIN. That Member might be a Republican or he might be a Democrat at a given time.

Mr. SMITH. He might be.

Mr. BALDWIN. But the Tariff Commission as such, as an arm of the Government, is really a fact-finding as distinguished from a policy-making body, is it not?

Mr. SMITH. That is correct. It is provided in this very amendment that they shall have nothing to do with the negotiation of these agreements. They will simply furnish the facts to the President before he makes his determination, and now we are adding an amendment I am glad to say that puts a time limit on the Commission, so negotiations could not be halted or ended because of long delay.

Mr. BALDWIN. So the effect of the amendment is to remove the Tariff Commission's part in this procedure from the operations and thinking of one man, and to repose it in the operations and thinking of six, composed of three Republicans and three Democrats, thus affording a more factual basis on which to proceed.

Mr. SMITH. I think that is a fair implication, and so, Mr. President, it seems to me we are entirely consistent, as the distinguished Senator from Michigan pointed out, in having greater emphasis placed on the Tariff Commission in dealing with this matter.

The question is whether we are to continue our procedure as at present. My first judgment was that we should continue as we are for another year without making any change. At this point in my remarks, I should like to insert a copy of a release I gave to the press in the week of June 7, prior to the time that I knew of the amendment offered by the Senator from Colorado. In that press release I took the position that it was my judgment that probably it would be wisest to continue our present practice for one year. I did say, however, in the press release:

I approve the principle incorporated in H. R. 6556, which emphasizes the importance of the participation of the United States Tariff Commission in making tariff changes in order to give adequate warnings of threatened dangers to our American industries.

I then said:

This is a legitimate procedural precaution. But I would oppose making the findings of

the Tariff Commission the sole guidepost to determine proper tariff changes.

I think the point has been adequately brought out in the session today, but I ask consent to place in the RECORD at this point in my remarks my complete release.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

With the present development of the international situation, the reciprocal trade-agreements program has obviously become an inseparable part of the European recovery program—the Marshall plan. In these post-war years, with the chaos and confusion prevalent in all parts of the world, it is now the established policy of the United States to aid in assisting the other nations of the world, and especially the cooperating nations of western Europe, to unite and restore their economies to a self-sustaining basis.

In order to attain this objective, a vitally important factor is the trade between these nations and the other nations of the world and with the United States. The restoration of a friendly, cooperative international trade is the most promising road to an enduring peace.

It is, therefore, my considered judgment that the Reciprocal Trade Agreements Act should be extended, and preferably in its present form and for whatever period may be deemed advisable to prevent confusion and misunderstanding. I approve the principle incorporated in H. R. 6556, which emphasizes the importance of the participation of the United States Tariff Commission in making tariff changes in order to give adequate warnings of threatened dangers to our American industries. This is a legitimate procedural precaution. But I would oppose making the findings of the Tariff Commission the sole guidepost to determine proper tariff changes.

General world conditions must also be considered as our experience grows with the evolution of the ECA. Because of the importance of the relation of the ECA to our trade treaties, I would recommend that the Administrator of the ECA and his expert economic staff, as well as the Tariff Commission, be included with the group advising the President on tariff changes in the negotiation of trade treaties.

Further, I would urge that each year when we review the workings of the ECA and make an appropriation therefor, we should also review the operation of the trade-agreements program, to the end that our over-all foreign trade policies may be coordinated. Because of this international approach to the problem, I am opposed to any veto by Congress of tariff changes, as proposed in the House bill. This would only add confusion and delay. I can see no dangers to our industries in extending the act without change at this time. Apparently there are no more trade agreements, presently to be negotiated, and those already negotiated are covered by the so-called "escape clause" in the event that injury is threatened.

Our world is not sufficiently stabilized as yet to give us adequate guideposts for a permanent international trade policy. But I think we are generally agreed that the indispensable trade-agreements principles should be preserved unweakened.

Mr. SMITH. So I feel Mr. President, in summing up the few remarks I have made, that I am entirely consistent in supporting wholeheartedly the international approach to this matter in looking upon the reciprocal-trade program as an integral part of the United Nations Organization, as an intimate part of the economic-recovery program of Europe, and as an intimate part of the whole

international approach, the positive, aggressive, and determined approach to make our international relationships stronger and better and more effective. I see nothing inconsistent in bringing the tariff commission into the picture as proposed by the amendment.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SMITH. I yield to the Senator from Texas.

Mr. CONNALLY. Do I correctly understand the Senator that he in the main, favors continuing the present law for a year?

Mr. SMITH. No—the amendment.

Mr. CONNALLY. Oh, the amendment?

Mr. SMITH. I would continue it for a year, with the amendment offered by the Senator from Colorado [Mr. MILLIKIN] that is correct.

Mr. CONNALLY. The Senator said though, in his release, as I recall, that he was in favor of continuing the act for another year.

Mr. SMITH. I said at the time, before I considered the whole matter, that while I favored bringing the Tariff Commission in, it seemed to me we would be moving wisely to extend the act for 1 year without any change. It is probably that the question may be immediately academic, because I cannot anticipate many agreements being written during the coming year. But my feeling is that we are justified in laying emphasis upon the use of an objective bipartisan commission such as the Tariff Commission to get the facts. If it is not functioning properly, let us abolish the Commission. But I believe our friends on the left side of the aisle would be more insistent on the Tariff Commission if next year we should have a Republican President and should undertake to write tariff changes to which they would not agree to. They would want to see made available some place where after unbiased discussion, the objective facts could be determined, so as to assure that agreements entered into would be fair, more effective, and more satisfactory to our people as a whole.

The only complaint I have heard of the reciprocal trade agreement program has been that there has not been an adequate or full and fair hearing of industry in presenting its views and how it may be affected by these agreements. I think that involves our American sense of justice. We should use our nonpartisan and bipartisan Tariff Commission in order to bring about the desired result.

So, Mr. President, with the understanding that the Senator from Colorado [Mr. MILLIKIN] will accept the amendment I am offering, with the Senator from Vermont [Mr. FLANDERS] and the amendment offered by the Senator from New York [Mr. IVES], I am prepared to support the amendment offered by the Senator from Colorado.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House having proceeded to reconsider the joint resolution (H. J. Res. 296) to maintain the status quo in respect of certain employment taxes and social-security bene-

fits pending action by Congress on extended social-security coverage, returned by the President of the United States, with his objections, to the House of Representatives, in which it originated, it was—

Resolved, That the said bill pass, two thirds of the House of Representatives agreeing to pass the same.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 6556) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. BARKLEY. Mr. President, does the Senator from Colorado wish to use some time now?

Mr. MILLIKIN. I can use 5 minutes at this time. I yield to the Senator from Nevada.

Mr. MALONE. Mr. President, I wish to congratulate my able colleague from Colorado [Mr. MILLIKIN] in arriving at a program which should receive a unanimous vote. We must recognize that there are fundamental differences of opinion on international trade policy on the floor of the Senate. We have heard the testimony which has been given before the Senate Finance Committee. We heard in that testimony that the advocates of reciprocal trade agreements did not recognize any standard of protection of the American worker whatever, whether or not the "horse trading" in American jobs by the State Department might injure American industry. That is the testimony offered by Mr. Clayton, the official representative of the State Department, and will be found in the testimony. Some of us do not agree with that premise, but this is not the time to discuss it. We, who oppose the free trade trend of the Administration, agree that no fixed tariff operates perfectly.

Mr. President, many advocates of the "horse trading" methods of the State Department under the 1934 Free Trade Agreements Act—that no damage can be shown to the American industry through such agreements—I respectfully refer them to my address before this body in support of my mining bill introduced on May 26, showing the preponderance of mines which have been closed—also I could cite the glass industry and the watch industry—however, this is not the time to review this picture provided a 1-year extension is accepted, so that the entire policy can be reviewed next year.

A fixed tariff is a fixed tariff, whether the Tariff Commission fixes it, whether it is fixed by the Congress of the United States, or whether the State Department agrees to it through an agreement with one or more foreign nations under the 1934 Trade Agreements Act. The word "reciprocal" does not appear in the Trade Agreements Act except in reference to Mexico, a matter entirely extraneous to the purpose of the act itself. Under the 1934 Trade Agreements Act the only way a change can be made in a tariff fixed through mutual agreement is when the foreign government which is a party to such agreement agrees to the

change. In other words, under the Trade Agreements Act it is entirely out of the hands of our own Government. However, this is not the time, in my opinion, to discuss that question. There are many methods of defeating any fixed tariff at this time, including quotas, currency valuation, depreciating the value of currency, the sterling bloc, preferential rates, and many other ways in which such a fixed tariff can be made entirely ineffectual without any cooperation or consent on our part whatsoever. We are unable to check it or to prevent it. Therefore, in my opinion, some method must be worked out to meet the problem through a flexible import fee. I have introduced such a bill—April 28—that will provide for the automatic adjustment of the import fee or tariff to correctly represent, at all times, the differential of the cost of production between this country and where any competition is located on each specific product—and when any nation has reached approximately our own wage-living standard—then free and unrestricted trade is the immediate and automatic result.

If, as the State Department suggested, we have no standard of tariff or import fees which will protect workers in any industry in this country, it is incapable that free trade is the inevitable result.

The escape clause as worded is no answer. Simply because other countries are allowed, under the agreement as pointed out by the able Senator from Colorado [Mr. MILLIKIN], that all other countries could take a compensatory escape under the multilateral agreement if the United States were to invoke the escape clause.

Since the compensatory escape by other nations—the exact nature of which the United States could not foresee—makes the adverse repercussions of the escape clause totally disproportionate. In other words, since we have already agreed that if we invoke the escape clause that the 22 other nation participants may each separately avail itself of a compensatory escape clause on items of their own choosing. It is clear that the State Department has agreed to something which they would not dare to invoke.

They have simply made a bad deal and we are stuck with it.

So, Mr. President, we would not dare, under these agreements, to invoke the escape clause, even though it did injure an American industry.

The reason I agree with the distinguished Senator from Colorado—and again I say he deserves the congratulations of this body because he has worked out a formula which will bring the whole question into focus next year, or a year from this time, when the other two important questions come before the Senate for consideration. Mr. President, the advocates of the Marshall plan did not say that International Trade Organization and the so-called reciprocal trade arrangement were necessary for the Marshall-Bevin plan's success, they have since said that reciprocal trade agreements are necessary to the success of the Marshall plan.

So I say, just as my distinguished colleague from New Jersey [Mr. SMITH] said, with whom I agree, that so long as we are considering another appropriation for ERP a year from now, and so long as the International Trade Organization will come before this body officially next year, a 1-year extension of the act is highly proper, so that all three of these subjects mentioned by the Senator from Colorado [Mr. MILLIKIN] and the Senator from New Jersey [Mr. SMITH] should be considered together.

Mr. President, I have consistently pointed out in addresses throughout the Nation since the inception of the Marshall-Bevin plan—ERP—last year that the Marshall-Bevin plan to make up the trade balance deficits of the nations of the world in cash—the State Department made agreements under the 1934 act, later called reciprocal to sell the idea to the public, and the International Trade Organization with 57 nations and 57 votes planned to meet each year and divide the remaining production and markets of the world is a plan to divide and redistribute the wealth of this Nation.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an excerpt from a speech heretofore delivered by me.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. President, I want to again call attention to the long-range plan to redistribute the wealth of this Nation.

The three steps projected by the economic one-worlders for that purpose are:

First. The established policy of exporting American money to make up the annual trade balance deficits—from all sources—of the European, Asiatic, and South American countries. Our chief export is money. The occasion may be the UNRRA, \$3,000,000,000; the Greek-Turkey, \$400,000,000; the English gift-loan of \$3,750,000,000; or the Marshall-Bevin plan of exporting \$17,000,000,000 to Europe, but the master-minded policy is the same, the economic equalization and the redistribution of the wealth of the 57 nations of the world, starting with the United States of America. This is a definite part of the international policy as supported in Senate debate, the English and Marshall-Bevin-plan gift loans are simply successive moves in establishing the first step of the policy.

Second. The selective free-trade method of dividing the production of this country with the nations of the world through the Trade Agreements Act, known by the catch word "reciprocal trade," is the second step in the economic one-world plan. Through the Trade Agreements Act industries selected by the State Department are frankly traded to one or more nations for a fancied advantage in furnishing them a market for their goods to secure money—dollar exchange—presumably to buy our processed and manufactured products.

Third. The International Trade Organization—ITO—through which 57 nations, each with one vote, will meet each year and frankly allocate the production and markets of the world between such nations, presumably finally on a population and cost of production, without regard to the differential of production cost due to the difference in the standards-of-living basis, thereby completing the job of international redistribution of the wealth of this Nation.

This Organization is to be the final leveler of the wage-living standards of the world.

International conferences and world wars are incidents, and even time is unimportant in the plan of the internationally minded "one economic world" group.

The "one economic world" group prematurely launched the "one political world" idea in the 1940 Presidential campaign. The emphasis has now shifted back to economics through the three definite policies; and when the "one economic world" goal is reached, the "one political world" is expected to follow in the natural course of events.

What is the answer?

A. A definite international policy; naming the areas and nations we must currently protect for our own ultimate safety and rebuilding our military organization, spearheaded by an Air Corps that can keep any nation on the ground until such time as the United Nations can take over, or the major problems of the world have been settled.

B. A flexible import fee under the Reciprocal Trade Act representing the differential of the cost of production between this Nation and where our chief competition is located on each specified product—in place of the selective free-trade program under the Reciprocal Trade Act.

Mr. MALONE. Therefore, Mr. President, I want to say that I shall vote for the 1-year extension of the 1934 Trade Agreements Act in accordance with the report of the chairman of the Finance Committee [Mr. MILLIKIN].

Mr. MILLIKIN. Mr. President, I yield 5 minutes to the distinguished Senator from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. President, I speak as one who has believed always in the principle of a protective tariff. I have here a short history giving an outline of that theory. Under the Presidential powers granted by Republican tariff acts of former years, culminating in the act of 1930, under section 336 the responsibility of the President and of the Congress are entirely curtailed, so that the Presidential power to change tariffs was limited by the action of the Tariff Commission in response to the considerable campaign that tariff making should become a scientific matter. I ask that this statement may be incorporated in the RECORD at this point in my remarks, in order to bear out the point I am endeavoring to make.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AUTHORITY OF PRESIDENT TO CHANGE DUTIES CONTRARY TO TARIFF COMMISSION'S REPORT

Section 315 of the Tariff Act of 1922 authorized the President to proclaim increases or decreases up to 50 percent of statutory rates of duty when he found such changes to be necessary to equalize differences in foreign and domestic costs of production. An investigation by the Tariff Commission was required to be made before action by the President, but the law did not specify that the President was limited in his proclamations to such recommendations as the Commission might send to him. In *Foster v. United States* (20 CCPA 15), the Court of Customs and Patent Appeals declared (page 25):

"In determining this matter, it will be borne in mind that we are here concerned with the legality of the President's act in raising the rates on cast polished plate glass, unsilvered, from the statutory figure to that fixed by his proclamation. The question is not whether the United States Tariff Commission committed error, or whether the testimony heard by, or the findings of, the commission were sufficient to legally justify the President's finding and proclaimed rates. The

President is not bound by such testimony or findings. He may arrive at his conclusions from information derived from other sources, which information may be privately conveyed and confidentially received. The various elements which he must take into consideration, as fixed by said section 315 (c), give him wide latitude. Therefore, it is fallacious to argue that possible error committed by the Tariff Commission, or failure of proof before that body, may invalidate the President's finding and proclamation. Such hearing before the United States Tariff Commission is provided by law to assist the President, not to control him."

Although in the cases of some reports to the President under section 315 of the act of 1922 the Tariff Commission was evenly divided so that there was no majority finding or recommendation, the President as a matter of fact based his actions on the report and in no case did he proclaim a rate other than that suggested by at least half of the Commissioners.

In reenacting the flexible tariff (section 336 of the Tariff Act of 1930), the Congress changed the wording so as to preclude the President from proclaiming a rate other than that specified by the Tariff Commission. Subdivision (c) of section 336 reads as follows:

"Proclamation by the President: The President shall by proclamation approve the rates of duty and changes in classification and in basis of value specified in any report of the Commission under this section, if in his judgment such rates of duty and changes are shown by such investigation of the Commission to be necessary to equalize such differences in costs of production."

Accordingly, the President has the authority to reject the findings of the Tariff Commission under the flexible tariff; he may refuse to act, but if he does take action under section 336 the action must be that specified by the Commission.

Mr. BREWSTER. Mr. President, the Senate bill puts into the law no limitations on procedures to which the Administration has not already committed itself to apply. I have a brief analysis on that subject which I ask to have incorporated in the RECORD at this point in my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

THE BILL PUTS INTO LAW NO LIMITATIONS AND PROCEDURES WHICH THE ADMINISTRATION HAS NOT ALREADY COMMITTED ITSELF TO APPLY

Enactment of the Senate bill provides for application of no limitations on concessions made in trade agreements that may be put into effect without Congressional review. The limitations, however, are clearly in accord with those which officers of the State Department who have been in charge of the program have repeatedly committed themselves to apply. The procedure provided for under this Senate bill is in accord with the spirit of the President's directions and statements of officials of the State Department. The President, under Executive Order 9832, promulgated before the negotiations at Geneva of last year were undertaken, specifically directed that

"With respect to each dutiable import item which is considered by the Interdepartmental Committee for inclusion in a trade agreement, the Tariff Commission shall make an analysis of the facts relative to the production, trade, and consumption of the article involved, to the probable effect of granting a concession thereon, and to the competitive factors involved. Such analysis shall be submitted in digest form to the Interdepartmental Committee. The digests, excepting confidential material, shall be published by the Tariff Commission."

The President further directed that "After analysis and consideration of the studies of the Tariff Commission * * * of the views of interested persons presented to the Committee for Reciprocity Information * * * and of any other information available to the Interdepartmental Committee, the Interdepartmental Committee shall make such recommendations to the President relative to the conclusion of trade agreements, and to the provisions to be included therein, as are considered appropriate to carry out the purposes set forth in said act of June 12, 1934, as amended. If any such recommendation to the President with respect to the inclusion of a concession in any trade agreement is not unanimous, the President shall be provided with a full report by the dissenting member or members of the Interdepartmental Committee giving the reasons for their dissent and specifying the point beyond which they consider any reduction or concession involved cannot be made without injury to the domestic economy."

It is clear from the foregoing provisions of the Executive order and commitments made to the Congress when renewal of the Trade Agreements Act was under consideration that those who have been in charge of the execution of the trade agreements program committed themselves to apply the same standards and practically the same procedures as enactment of the Senate bill will require by law. In order fully to explain the similarity of the procedure prescribed by the Senate bill and the spirit of the administration's expression of its intentions, attention should be called to the fact that the Tariff Commission is the agency in the Government whose specific responsibility is to study the effects of tariffs on domestic industries. Moreover, under the Executive order referred to above it seems to be clear that the analyses and views of the Tariff Commission are to be primarily depended upon in the determination of the appropriate limits of concessions in our tariff. This is recognized in the part of the Executive order dealing with procedures to be followed before entering into trade agreements but more definitely stated in the part of the Executive order dealing with the escape clause.

Though it has been contended that enactment of the Senate bill will hamstring or cripple the operation of the trade agreements program, that contention can only be maintained if it be admitted that the procedures and limitations they have committed themselves to apply would have a similar effect. This is a necessary conclusion unless those in charge of the operation of the program do not intend scrupulously to abide by the commitments made to Congress.

It is true that the enactment of the Senate bill will more definitely and formally place responsibilities on the Tariff Commission than does the Executive order of the President referred to above.

In considering the procedure that will be required by this bill, it is to be observed that the Tariff Commission is a bipartisan agency of which no more than half the membership may be of a single political party. Its members, who are appointed by the President, are chosen with a view to their competence and objectivity in supervising the kind of work which this bill will, and Executive Order 9832 now does, require of the agency. All the other agencies which participate in the trade agreements program are under political officers who are members of the President's Cabinet. It is entirely appropriate formally to place upon the bipartisan Tariff Commission responsibility for making decisions regarding injury to American industry and by this means keep these decisions free from political considerations. But the Senate bill still leaves the President free to act.

Mr. BREWSTER. Mr. President, a provision in connection with the right to increase rates above the rates of 1934 was incorporated in the Reciprocal Trade Act of 1934, being the reciprocal trade agreements as then approved by former Secretary of State Cordell Hull. I cite that in the interest of our future consideration. I ask that this statement be incorporated in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PROVISION PERMITTING THE PRESIDENT TO INCREASE DUTIES BY 50 PERCENT OF THE RATES IN EFFECT IN 1934 WAS IN RECIPROCAL TRADE ACT OF 1934 AS APPROVED BY CORDELL HULL

There has been considerable criticism leveled at a provision that the President in carrying out foreign-trade agreements may proclaim increases in duty 50 percent above the rates existing on June 12, 1934. This has been described as a return to isolationism and a provision pointing the way to increases in duty 50 percent above the level existing in the Hawley-Smoot Tariff Act of 1930.

The gentlemen who have made these cries of despair have overlooked an important relevant fact, namely, that the provision of the Gearhart bill about which they cry with anguish is identical with the provision of the original Trade Agreement Act of June 12, 1934. It seems that the necessary conclusion to be drawn from their present criticisms of the Gearhart bill is that Cordell Hull, in sponsoring the act of 1934, must also have been guilty of isolationism and a desire to increase tariff rates by 50 percent.

Mr. BREWSTER. Mr. President, I have here a compilation of rates under the various tariff acts of the last 50 years, and also of the variations in rates under the operation of trade agreements, showing a reduction from approximately 60 percent under the last Smoot-Hawley bill to the current rate of 15 percent. I ask that this statement of rates be incorporated at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I am advised that during the first full year after the Smoot-Hawley Act went into operation, the ad valorem rates were established at 53.2 percent. In 1932, this jumped to 59.1 percent and follows the following pattern up to 1939:

	Percent
1933	53.6
1934	46.7
1935	42.9
1936	39.3
1937	37.8
1938	39.3
1939	37.3

For such value as the war figures and the immediate postwar figures may have, I am given the following data:

	Percent
1940	35.6
1941	36.8
1942	32.1
1943	32.8
1944	29.7
1945	28.0
1946	25.5
1947	19.4
1948	15.0

It is pointed out that the rate in 1939 just before the war was almost exactly the same as that of the Fordney-McCumber Act of 1922.

The 15-percent figure which Mr. Gearhart uses to show the 1948 status of this ad val-

rem rate is probably correct. I am told it will run somewhere between 12 and 15 percent.

All these rates are based upon the dutiable list and do not take into consideration the items on the free list.

Average rates under various tariff bills of past 50 years:

	Percent
Dingley Act, 1897	46.1
Paine Aldrich, 1909	40.7
Underwood, 1913	27.0
Fordney-McCumber, 1922	37.0
Smoot-Hawley, 1930	53.2
As modified under reciprocal agreements, 1931	59.1
As modified under reciprocal agreements, 1948	15.0

Mr. BREWSTER. Mr. President, I think this brings home very clearly that at the present time we are living in a fool's paradise. It is quite true that no material injury has been done to most of the industries which might be affected as the result of the depression and the conditions incident to the war and its aftermath. I point out, however, that the Government has suffered. In one specific instance it has come to my attention, in connection with potatoes. We voted approximately \$75,000,000 to take domestic potatoes off the market. Meanwhile, we imported 5,000,000 bushels from Canada under reciprocal trade provisions, which cost us \$5,000,000. It did not injure the potato producers, but it did injure the Government.

The cotton situation is not affected, because it operates under an absolute embargo. Therefore the cotton industry is not concerned with protection. However, when our rates are at 15 percent, on the average, as compared with 27 percent under the Underwood tariff provision after the First World War, I think we must all realize a Sword of Damocles is suspended over the people of this country and their industries in the event that anything like normal conditions should come to prevail throughout the world, involving an average rate of 6 percent.

I am asking only that the President shall carry out precisely the regulations he has laid down in his own instructions to the Commission and in his statement to the country. I read a quotation from the President's statement:

The interest of domestic producers was carefully protected in the negotiation of each trade agreement. I assured the Congress when the Reciprocal Trade Agreements Act was last extended in 1945 that domestic producers would be safeguarded in the process of expanding trade. That commitment has been kept and it will continue to be kept.

If that statement is correct, then the proposed amendments constitute limitations in no way, and I trust that the Senate, in the interest of expanding the program, will see fit to enact the proposal of the Senator from Colorado [Mr. MILLIKIN], as otherwise there is certainly to be no extension of the law.

The State Department has long taken the position, when renewal of the Trade Agreements Act has been before the Congress, that nothing would be done under the act which would injure domestic producers. The President in his message to Congress of March 1, 1948, requesting renewal of the act, said:

The interest of domestic producers are carefully protected in the negotiation of each trade agreement. I assured the Congress when the Reciprocal Trade Agreements Act was last extended in 1945, that domestic producers would be safeguarded in the process of expanding trade. That commitment has been kept. It will continue to be kept.

In furtherance of this policy the President in February 1947 issued Executive Order 9832.

First. Action under the escape clause: Under the Executive order the Tariff Commission determines "whether, as a result of unforeseen developments and of the concession granted on any article by the United States in a trade agreement" an article "is being imported in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers of like or similar articles."

It should be noted that under the Executive order action by the Tariff Commission where injury has occurred or is threatened is taken after the agreement is in effect; under the Senate bill investigation of possible injury is made before the agreement is negotiated. Certainly no one who is really in favor of protecting domestic producers could object to the forehanded procedure provided in the Senate bill. It is certainly preferable to prevent injury by careful investigation before the agreement is negotiated than to attempt action after the agreement has been put into effect.

At best, action under the Executive order will be slow because, as provided in article XIX of the Geneva agreement, it is necessary to consult with all interested parties to that agreement before a recommendation of the Tariff Commission under the Executive order can be acted upon except "in critical circumstances, where delay would cause serious damage which it would be difficult to repair." What would be considered critical circumstances is not known, but action under the Executive order would be largely vitiated where consultation with interested parties was required.

It should be noted further, that under the Executive order injury or threatened injury must be the result of absolute increase in imports. This is a highly restrictive provision, particularly in a period of declining business activity. For example, the demand for a product may decline substantially but imports remain stable, with the result that the entire loss of business would fall on domestic producers. Thus, domestic production may be declining drastically while the percentage of the market supplied by imports is increasing, yet no action would be possible under the Executive order because imports were not increasing. Why was this limitation inserted in the Executive order if the procedure under that order were intended to provide domestic producers with adequate protection? As a matter of fact, the Executive order is much more restrictive in this respect than the corresponding provision of the Havana Charter (article 40). Under the Charter injury or threatened injury can occur if the article is imported in relatively increased quantities, that is to say, it is not necessary to have an absolute increase in imports.

Second. Participation of the Tariff Commission: Under the Executive order a Commissioner of the Tariff Commission sits with persons designated by the Secretaries of State, Treasury, National Military Establishment, Agriculture, Commerce, and Labor on the Interdepartmental Committee on Trade Agreements which gives information and advice to the President respecting the concessions he will make in any proposed trade agreement. If any member of the Committee, including the Tariff Commissioner, disagrees with the action of the Committee on any proposal concession, he can file a dissent with the President specifying the point beyond which he considers any reduction or concession involved cannot be made without serious injury to the domestic economy. Not only does the Tariff Commission participate with the Trade Agreements Committee in the making of decisions on concessions, but for all practical purposes he participates through the Committee in the actual negotiation of the agreement.

Under this procedure a Tariff Commissioner, unless he dissents on most of the concessions, will find himself in the embarrassing position of having to take action as a member of the Tariff Commission under the Executive order, in cases where injury has been proved, which is contrary to the position he took as a member of the Trade Agreements Committee. For example, he might have voted for a proposed concession, implying that in his view the concession would not result in serious injury to domestic producers, only to find that later on his colleagues on the Commission found that the concession had caused serious injury. At best this procedure may be questioned.

The State Department has repeatedly assured the Congress, when renewal of the Trade Agreements Act has been under consideration, that domestic producers would not be seriously injured by any action taken under that act. Either the Department meant what it said or it has misled the Congress. If the Department meant what it said it could not have any serious objection to the Senate bill, as this bill would do no more than assure to domestic producers somewhat more protection against serious injury than is provided by the Executive order.

Mr. President, I ask that there be included at the conclusion of my remarks an excerpt from the statement of Representative BERTRAND W. GEARHART, of California.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. BERTRAND W. GEARHART, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Representative GEARHART. Mr. Chairman, the subject of foreign trade is such a broad and complicated one that I have reached the conclusion that I had better confine myself to discussion of the bill or my remarks might be interminable.

The bill as introduced and passed in the House of Representatives provides for a 1-year extension rather than the 3 which was requested by the State Department.

The CHAIRMAN. Congressman, you are aware of the fact, are you not, that the State Department was in serious doubt for

many months this year whether they would ask for an extension at all?

Representative GEARHART. I think that idea would support the conclusion that a 1-year extension was sufficient for all purposes.

The CHAIRMAN. It is more than they anticipated asking for.

Representative GEARHART. Then we can feel that we are very generous and expansive in our office to the country.

The reason why we felt that 1 year would be sufficient in order to make a complete check on this subject was that our investigation into the operation of the trade agreements for its first 14 years discloses that 98 percent of the dutiable items have been cut already, and that 91 percent of the items on the free list have been bound on the free list. So it appears quite beyond contravention that the tariff-slashing job is about completed. In fact, the State Department representatives have stated here that there are only a few odds and ends to be cleared up. When we further contemplate the result of 14 years administration of the Trade Agreements Act it is revealed that they have reduced the tariff to an ad valorem level of 15 percent on the dutiable items and to 6 percent when the dutiable and free items are considered together, which means that we in the United States have practically no tariff at all. This country now is closer to free trade than it ever has been in its history.

I had the staff expert on tariffs prepare some figures for me from which we could make some comparisons as to our tariff in relation to the outside world or, at least to that part of the world with which we carry on most of our foreign trade, the United Kingdom and the British Commonwealth of Nations.

It was revealed to my very great surprise that the United Kingdom, consisting of England, Scotland, Wales, and Northern Ireland, is collecting \$3,164,000,000 in customs, whereas the United States with a population four times as great is only collecting \$494,000,000 in customs. Translating that into per capita averages we note that the British are collecting from customs \$64.16 per capita and the United States is collecting from customs only \$3.41 per capita.

The CHAIRMAN. That is a very interesting statement.

Representative GEARHART. It is a very interesting revelation and only recently disclosed. For the purpose of the record, I would point out that England is the highest and the United States is the lowest among these nations: New Zealand, Australia, Canada, South Africa, United Kingdom, and the United States.

As a matter of fact, we never did have a high tariff.

Even when the Smoot-Hawley Act was placed upon the statute books, the United States was thirteenth on the list of important nations, insofar as the ad valorem measurement could be applied to the then-existing tariffs. Taking the United States as 100 par you find Spain had a tariff of 456; Germany, 279; Brazil, 239.4; Greece, 166; Hungary, 180; Italy, 150.5; Mexico 149; Egypt, 130; Switzerland, 128; United Kingdom, 118.3; Argentina, 110; United States 100; Japan, 98; Belgium, 96.8; France, 85; Canada, 76.3; Netherlands, 37.4; and Sweden, 32.8; which involves about all the important trading nations of the world insofar as the United States was concerned at the time.

It has just been a question of giving the dog a bad name. The United States has never been an offending nation in the maintenance of high tariffs. Certainly at the present time with the tariff cut to 15 percent ad valorem on dutiable items and 6 percent on dutiable and free, you can see we have practically no tariff at all.

So in urging a 1-year extension it should be acceptable by the country. Nothing can

be done to do more damage to our tariff structure than has already been done, even if they proceed diligently to make as many agreements as they care to make during the 1 year that remains.

The CHAIRMAN. One more jump on the scale of the last jump and we would not have any tariff at all.

Representative GEARHART. That is right. We are so near to that situation that it is appalling to contemplate the result of 14 years of tariff slashing by the trade-agreement method.

There is one other interesting comment I want to make on that phase of our discussions before I pass to a consideration of the bill. That is, when we emerged from World War I the Tariff Act of 1913, the so-called Underwood Tariff Act, was in effect. Under that act, 66.3 percent of the items were on the free list and the dutiable rate was 27 percent. As soon as the war was over and the outside world got back into production stride, the United States, because of those low tariffs, much higher than the tariff levels of today, became the dumping ground of the world.

A crisis developed of such proportions that the then President of the United States called the Congress into special session for the purpose of passing an emergency tariff law, which it promptly did, along with other anti-dumping legislation which retrieved the situation until the matter could be considered more maturely by the Congress. Because of that historical happening, the consequence of this Underwood tariff and its ad valorem rate of 27 percent, drastic legislative action became imperative. And now that we have an ad valorem level of but 15 percent, I wonder what the future will unfold for us, when the outside world does in fact get back into a normal production stride. This, as it is anticipated, will be within the next year or so. If the United States again becomes the dumping ground of the world, this committee may be called upon to take drastic and immediate and emergency action to save this country from disaster.

Senator GEORGE. What do you mean, Mr. Gearhart, by 15 percent ad valorem?

Representative GEARHART. The figures represent the general average across the board of the tariff rates now existing. I have similar figures as to all of the other tariff bills passed since 1897.

Senator GEORGE. Is it your statement that that is the general average of all dutiable items?

Representative GEARHART. Yes, ad valorem. Senator GEORGE. Translated specifically into ad valorem, altogether.

Representative GEARHART. Yes. To complete the comparison I might point out the Dingley Act of 1897 established an ad valorem percentage on the dutiable list of 46.1 percent, the Paine-Aldrich Tariff Act of 1909 established an ad valorem rate of 40.7 percent. The 1913 Underwood Tariff Act established 27 percent. The 1922 Tariff Act established 38.4 percent, and in 1930 the Smoot-Hawley Act established 40 percent, one and a fraction percent higher than the preceding McCumber tariff.

So we contemplated a new situation now which is quite novel and unique in American history. I would not dare to predict what the future is to unfold as a consequence of the slashes that have occurred.

Another reason for fixing 1 year as the period instead of 2 or 3 years is that this Congress already has provided that the European relief program shall be checked up as of that date and also the International Trade Charter will be presented to the Congress for its consideration next year and we believe that in theory at least these three programs have some relation to each other and therefore should come on for consideration simultaneously.

Then there is the very important fact which all Americans should consider, and

that is that this is an election year and a newly elected administration will take over next year. Should that administration be Democratic, undoubtedly the House and Senate will be of the same party. It would follow as a matter of course that that party would write its own trade policy, and conversely should the new administration be Republican, the Congress being of the same persuasion will undoubtedly proceed to write its own foreign-trade policy.

So it is just idle to endeavor to impose on such a new Congress coming into power, as it will next year, a system which that administration may or may not like. The incoming administration, aided by a supporting Congress, will simply write its own policies. So let us be realists and acknowledge the fact that that is going to occur in any event, and therefore let us write laws that are consistent with that immutable conclusion.

To make it more than 2 years would be to bypass the Eighty-first Congress, that is, at least the House of Representatives part of it. A proper respect for a group of gentlemen who will be elected to that body next year would dictate a decent restraint in the exercise of the legislative prerogative at this time.

In fact, every law is written in that way. Every law is subject to repeal. Every law is subject to change. We do create moral situations sometimes by the enactment of legislation which makes it very difficult for the legislative branch to rise to its constitutional prerogatives. Therefore, I would say let us not—

Senator LUCAS. As a former Member of the House, I never knew any Member of the House not to be able to rise to its constitutional prerogatives.

Representative GEARHART. That is a compliment you pay to the House, and coming from a former Member of the House, I value it.

The CHAIRMAN. He has to overcome his will power in some cases, Senator.

Representative GEARHART. The changes we ask in the bill which the House has sent to the Senate are, I think, simple, sound, and supported by administrative precedent. The transfer of the responsibilities from the Committee on Reciprocity Information in respect to holding public hearings to the Tariff Commission will promote confidence in the trade-agreements procedure generally throughout the country, confidence in the program and its administration. If there is any agency of the trade agreement set-up which has fallen in public confidence and in public estimation, it is the Committee of Reciprocity Information. It is known to be a fact, in fact it is notorious, that the men who sit upon the bench and hear the complaints or the criticisms or the suggestions of people who travel from the far corners of this country to testify before that agency, have nothing to do with the working of any decisions upon the testimony they pretend to listen to. It is widely known that the men who sit there have nothing to do with the negotiations that are later or simultaneously being carried on.

I happen to know two former members of that committee who are now in retirement and because thereof are under no restraint in respect to that which they might say concerning their functions, the functions they performed when they were members of that committee, and both of them assure me they never received an order from anyone other than to present themselves and to sit on the bench. Thereafter they never made any findings on anything they heard or formulated any conclusions, neither were they ever thereafter asked to make any recommendations.

That is a cruel travesty. That is a cruelty inflicted upon the American people who came to Washington to present their cases to a body of gentlemen whom they were led to believe would have something to do with solving the problems with which they were vexed.

But this Punch and Judy show has gone on with their farce now for 14 years.

So I say the first thing that the transfer would do would be to promote public confidence in the administration of the program, and that is a very, very important thing.

In making the transfer from a trade-agreements committee to the Tariff Commission, the House of Representatives in presenting this bill to the Senate was following a precedent established by the President himself in his Executive order of February of 1947, when he transferred the function of receiving complaints after injury had been inflicted from the Committee on Trade Agreements to the Tariff Commission.

We of the House thought that if the President believed, as we believe, that the Tariff Commission was competent to correct a mistake after a mistake was made, certainly it was competent to prevent a mistake from being made before it was made. That is all we hoped to accomplish by this suggested change.

Mr. BARKLEY. I yield 10 minutes to the Senator from Pennsylvania [Mr. MYERS].

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 10 minutes.

Mr. MYERS. Mr. President, anyone who appeared before the Senate today to say that American industry cannot exist right now without foreign markets would be, of course, subject to easy refutation, for we all know that the American economy of the moment is finding ready markets here at home for just about everything we produce and that some foreign shipments we are making in a world clamoring for our goods are made at some expense to the convenience of the domestic consumer.

Hence, I have no intention here today of maintaining that unless this Reciprocal Trade Agreements Act is extended this week that wholesale lay-offs of workers will take place in Pennsylvania or that Pennsylvania industry will begin to suffer deep cuts into its operating revenues and profits.

On the other hand, those who would cripple or kill the Reciprocal Trade Agreements Act on the grounds that it is not now necessary for the continuation in the immediate future of present levels of production and prosperity in Pennsylvania or other States, fail utterly to comprehend the basic theory and practice of this act and also fail to recognize the close correlation between our long-range needs in this Nation and the immediate economic picture.

To a Senate which has approved such far-reaching measures as the UN Charter, Bretton Woods, the Marshall plan, and other broad-gaged proposals for the spreading and protection of world peace, for the expansion and improvement of peaceful means for international cooperation, I do not believe it is necessary for me to go into the imperative need for effective tariff cooperation among the various nations if international economic conditions are to improve. Although the House may not be at all sure sometimes in which way it is heading when it passes the Marshall plan 1 month to provide for progressive reductions of tariffs among recipient nations abroad and then turns around and seeks

to open ways for the raising of American tariffs a month or so later. I do not think the Senate today is in doubt as to the vital importance to our hopes of achieving a decent world and of making possible the growth and spread of freedom through economic means. The Senate, I am sure, is convinced of the foreign policy values of the reciprocal-trade agreements act by now. The action of the Senate's Finance Committee in dropping out some of the most objectionable features of the House bill—those features granting to Congress virtual veto power over all agreements—indicates general approval in that committee and in the Senate itself—for the committee is representative by and large of majority party policy in the Senate—of the fundamental theory of reciprocal trade, at least from the international point of view.

My concern with the committee bill, in addition to its significant limitation on the time of extension of the act to a mere 1 year instead of the customary 3 years, rests largely in the fact that the committee bill fails to recognize the close connections between actions taken now in boom times here in the United States with long-range economic programs.

Mr. President, the Senate is familiar with the fact that last summer three subcommittees of the Joint Congressional Committee on the Economic Report operating in different parts of the country completed what was perhaps the most far-reaching congressional experiment in history, and certainly in modern times, in going to the grass roots—to the people—to find out what the prevailing sentiment was in this country in regard to charting our economic future.

We were assigned the task of determining the economic pulse beat of America. The purpose of this study was to provide the Congress with the basic facts of economic life in America so that the Congress could determine what legislative steps should be taken to preserve our prosperity and to prevent the development of conditions such as occurred prior to the tragic 1929 crash in our economy.

Of course, all of the subcommittees and all of the individual members of the subcommittees came back to Washington with their original views pretty much strengthened by what they had heard, each of us, naturally, paying the greatest attention to that testimony which bolstered our own views.

Nevertheless, I think all of the members of the touring subcommittees of the Joint Economic Committee last summer were tremendously impressed by the evidence we received of the close connection between the various industries of the country and the immediacy of the reaction on scores of other industries to the action of any one industry. I doubt if any of us were as familiar before that series of hearings with the true extent of the interdependence of all of the economic interests in the United States.

We learned, also, that the rank and file of the American people had become economically conscious, to an amazing degree, and amazingly aware of what

was happening in Washington and in the world, which directly affected the individual citizen.

It was my impression from these hearings that there was a great deal of unwarranted pessimism among highly placed and influential leaders of industry over the fundamental soundness of our present economy. There were guarded references, but references unmistakably clear, nonetheless, to the impermanence of a 60,000,000-job economy and of a 200 billion or better national income. A great many industries were voicing reluctance to expand facilities for fear that our economic bubble would burst. Others looked abroad with a certain degree of nervous apprehension, fearing that a recovered Europe might cut seriously into our markets, both abroad and at home.

I will say that this was not the general feeling.

What disturbed me and other members of the subcommittees, however, was the fact that many prominent Americans voiced doubts as to the competitive ability of the American free-enterprise system.

Most of us do not share those doubts. America competed brilliantly throughout the world—throughout those portions of the world where competition was possible—before the war. When we have helped European industry to recover from the war's devastations, American industry, I am sure, will continue to be able to hold its markets and find new ones—that is, if competition is again possible.

This reciprocal trade agreement program is one of the keystones of our world-wide attempt to keep the channels of international trade open. Unless we continue to show the same wholehearted support for open international trade as we have done since the start of this magnificent program 14 years ago, then we will signal to all of the struggling nations of Europe, nations struggling to revive their economies and to win back foreign markets, that they had better not count too heavily on American cooperation. Once they begin to suspect that we might run out on them and on this dream of expanded international trade in both directions, then out of desperation, they are going to begin all over again to invoke the same closed-door, high-tariff economic nationalism which we set the example for just 20 years or so ago with the infamous Smoot-Hawley tariff.

A 1-year extension of reciprocal trade adopted now would, I am sorely afraid, be such a signal. It so happens that the greatest support in the House for the alleged reciprocal trade bill which the House enacted came from those who were most violent in their criticism of and opposition to the reciprocal trade agreements program in previous years. Just about all of the enemies in the House of the reciprocal trade program voted for the House committee bill. If the Senate allows itself to agree to a substantially similar measure, even though one or two objectionable features have been removed from it, the fact remains that the Congress, by its refusal to extend the act

the customary 3 years, will be serving notice to the world that, should the Republican Party win in November, we can look for the reciprocal trade agreement program, as we have known it, to be murdered. Whether that is a justified conclusion or not is not too important. The fact remains that that is the conclusion which will be reached. Furthermore, if these time-consuming Tariff Commission reviews are to be written into the act, and if the Tariff Commission, as it would be under that proposal, were given as a practical matter virtually blanket power to set the limits of all tariff reductions on the basis exclusively of protectionism, we would find few nations willing to begin negotiations for tariff reductions and for two-way trade improvements for at least the rest of this year until they see which way the election is going to go and then for perhaps a year or two after that, until they see how drastically the next Congress, if it were to be a Republican Congress again, would go in emasculating or murdering the program.

Of course, our economy today, as of right now, could probably withstand the shock of a collapse in international faith in American economic policy. But over the long range a shock like that would be most severe, particularly in a State like my own, which is a State of tremendous export potential and a State whose industries depend on a gigantic volume of imports.

I have here a statement which I shall not take the trouble to read because of the severe limitation on debate, which sets down the importance of foreign trade and the reciprocal trade program to the various industries of Pennsylvania. I asked unanimous consent that it be printed at the end of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. MYERS. Mr. President, although we can sell all of our products today in the American market, we all know that for a continuation of our present level of prosperity we are going to need foreign trade. That is elemental. We are going to have to drag down our prices in this country so that our consumers can continue to buy the things they help to make. Those readjustments, long overdue, are beginning to occur now to a modest extent. What I greatly fear is that we might wait until our domestic market collapses from lack of purchasing power before prices come down sufficiently, and by then it is too late. Industry is beginning to realize this, recognizing that once steel and coal and textiles and a few other great industries slow down for lack of orders, because of lack of purchasing power, and begin laying off their workers "temporarily" until things pick up, that these lay-offs, like a pebble thrown into a pond, send ripples out over the whole economic picture and start a psychology of fear which leads to extreme caution in all businesses and results in panic.

We do not need foreign trade now from the strict economic standpoint, perhaps, but we are going to need it if

we are to preserve this high level economy. Unless we indicate the willingness to play ball now with the other countries which need us desperately, then we are going to find that the good will has been thrown away and that when we do need customers abroad, we are going to find all sorts of barriers thrown in our way.

As I said, I have no intention of speaking here now, in view of the shortness of the time, on other than the economic angles because I know that the Senate is fully conversant with the importance of this program to our foreign policy and to our hopes for a decent world in which freedom—and that includes economic freedom and free enterprise—can exist. At the same time, I want to include with my remarks a few expressions from Pennsylvanians who are tremendously disturbed by trends in this country toward economic nationalism. I might say in passing that the Chambers of Commerce of Philadelphia and of Pittsburgh, and of other parts of the State, are wholeheartedly in accord with a continuation of the present act without change. I have here a letter from H. J. Heinz II, chairman of the United States Associates of the International Chamber of Commerce, Inc., endorsing the present act and urging its continuation. Mr. Heinz made a fine statement before the House Ways and Means Committee, which I think should also go in the RECORD. I have here other communications from leagues of women voters in Pennsylvania, from the United Nations Council in Philadelphia, from the chairman of Philadelphia World Trade Week, sponsored by the Philadelphia Chamber of Commerce, from YWCA's, and so on, a few of the many, many I have received.

The Church Peace Union endorses the act and its extension as is for convincing reasons, which I include in the RECORD.

Mr. President, I believe with these Americans, and with most Americans, that for the best interests of the United States and of the world, and of world peace and prosperity, the Reciprocal Trade Act should be extended without change for 3 years.

I ask that some of these telegrams, letters, statements, and newspaper articles on this subject be printed following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit B.)

EXHIBIT A

PENNSYLVANIA'S STAKE IN RECIPROCAL TRADE
(Statement by United States Senator FRANCIS J. MYERS, of Pennsylvania)

Pennsylvania is a great producing State with tremendous manufacturing and other industrial enterprises and with a huge volume of agricultural production, much of which goes into foreign trade. With a population in the neighborhood of 10,000,000 persons—second highest among the States—Pennsylvania demands great quantities of industrial supplies and consumers' goods, much of which come from abroad. For these reasons the Keystone State has a major and direct interest in foreign trade, and in the reciprocal trade agreements program.

INDUSTRIAL EXPORTS

Whether a particular article produced in Pennsylvania is actually sold abroad is less important than the fact that articles of that kind, wherever produced in the United States

are exported. Foreign markets increase the total demand for these products and thereby help to sustain the Pennsylvania industry.

Among the major Pennsylvania enterprises producing goods which are customarily exported from the United States are the following, in the order of their importance in 1939: the iron and steel industry, the anthracite and bituminous coal industry, machinery manufacture (including electrical), petroleum refining, hosiery and other wearing apparel industries, food and food products industry, paper and paper products industry, the production of certain nonferrous metal and metal products, and of important chemicals.

In 1939 these major Pennsylvania industries produced goods to an aggregate value of over \$3,500,000,000; employed over 700,000 workers; and paid wages and salaries totaling over one billion dollars. Goods of these types, produced in Pennsylvania or elsewhere, were exported from the United States in 1939 to a value of nearly \$1,750,000,000.

I have by no means called the full roll of Pennsylvania industries that benefit from United States exports. I could add leather, tanning and finishing, publishing and printing, manufacture of lumber and lumber products, rubber manufacture, manufacture of professional and scientific equipment and supplies, manufacture of tin cans, and so on. This group added millions of dollars worth of production and of wages and salaries paid. Millions of dollars worth of their products are exported from the United States.

In reciprocal trade agreements the United States has obtained the reduction of foreign restrictions against American exports of goods in all the classes which I have mentioned, as well as in many others. These concessions from other countries may take the form of reduction or elimination of tariffs or tariff preferences, guaranties against increases in tariffs, relaxation of import quotas, or other measures.

Thirteen countries have improved their customs treatment of iron and steel and their products, imported from the United States. Especially substantial concessions were obtained from such major markets as Canada, Cuba, the Netherlands, Brazil, Finland, Guatemala, and Colombia. Pennsylvania producers of iron and steel benefited, furthermore, by foreign concessions on highly advanced manufactures such as automobiles, machinery, and office equipment manufactured in other States for which Pennsylvania producers supplied the iron and steel.

On coal, Canada gave a guaranty against any increase in tariff. Not only have American exports of coal and coke exceeded imports in the past but the increased demand for coal for manufacturing and for transportation of all types of export goods has sustained the demand for Pennsylvania coal.

Twenty-four foreign countries have made concessions on their imports of machinery of practically all types other than electrical and on electrical machinery 22 countries have given us concessions. Five countries have given substantial concessions on their imports of refined petroleum products.

Twenty-three countries have made concessions of benefit to American producers of transportation equipment and 16 on rubber tires and tubes.

For every group of products which has been mentioned there has been an improvement in foreign market opportunities, so far as the regulations of the foreign governments are concerned, and these improvements have been obtained through the reciprocal trade agreements.

Thirteen countries have reduced their duties or otherwise improved their customs treatment of imports of silk, rayon, and other hosiery from the United States. In Pennsylvania 44,000 persons were employed in the hosiery industry in 1939. Five countries have made concessions on cotton shirts, of which

the United States exported \$1,375,000 worth in 1938. In the same year the United States exported nearly \$1,500,000 worth of cotton dresses. Fourteen countries, including Canada, have made trade-agreement concessions on American paper and paper products. In Pennsylvania in 1938 trade-agreement benefits affected the 23,000 persons who produced \$138,000,000 worth of paper products.

More than \$126,000,000 worth of nonferrous metals and their products were produced in Pennsylvania in 1939. Wages and salaries in the industry total almost \$34,000,000. Eight countries have made trade-agreement concessions on such products, of which United States exports in 1938 were valued at \$94,000,000. Seventeen countries have improved their import treatment of United States paints, varnishes, and pigments. Twelve have made concessions on medicinal and pharmaceutical preparations and 14 on soaps and toilet preparations. Nearly \$8,000,000 worth of such products were exported through the Philadelphia customs district in 1938.

FARM EXPORTS

Pennsylvania growers of corn, hogs, wheat, apples, peaches, and other things benefit because United States exports of such products support the market for them. In 1939 Pennsylvania had one and one-third million acres in corn and nearly 900,000 acres of wheat. Apples were grown on over 100,000 Pennsylvania farms and peaches on more than 40,000. More than half a million hogs were on 83,000 Pennsylvania farms in 1940.

While a number of trade agreements contain concessions on corn and corn products exported from the United States, most of the United States corn which is exported is in the form of meat and meat products on which 18 foreign countries have granted concessions which directly or indirectly benefit more than 131,000 Pennsylvania corn growers. These concessions were of direct benefit to Pennsylvania hog producers.

Seven foreign countries, including our major customs in Europe and Latin America have given trade-agreement concessions on United States exports of wheat and 12 on wheat flour. These concessions supported the market for the 18,000,000 bushels of wheat grown on 80,000 Pennsylvania farms in 1939.

United States apple growers in Pennsylvania as well as other States have benefited from the concessions obtained in trade agreements with 21 countries. Eight countries have given the United States concessions on its exports of canned peaches, nine on dried peaches. Canada reduced its duty and made other concessions on fresh peaches from the United States. Cuba, Mexico, and several of the British colonies also reduced their duties on fresh peaches, while Brazil bound its duty at the existing level. The Pennsylvania peach crop of 1938 was valued at more than \$1,750,000.

Other Pennsylvania farming enterprises which benefit from trade-agreement concessions include the growing of barley, oats, and potatoes. Four countries have made concessions on barley, 4 on potatoes, 3 on oats, 4 on oat flour, and 16 on rolled oats and oatmeal.

EXPORTS IMPROVE DOMESTIC MARKETS

The Pennsylvania or other producer of an export commodity is by no means the only person who benefits by the expansion of profitable foreign markets. Such producers, when they are able to sell their goods abroad to advantage, become paying customers in the domestic market for things which are not produced for shipment abroad. Examples are the workers in factories producing export machinery who, because they have jobs, are able to buy dairy products, fresh vegetables, clothing, shoes, and other things which are not exported in substantial proportions.

The domestic market, for practically every American producer, is the most important market. This is true whether he depends on foreign markets for a part of his sales or not. The more customers there are in the domestic market, and the greater the effective demand in that market, the better off all American producers are.

PENNSYLVANIA ALSO NEEDS IMPORTS

Many industries, in Pennsylvania as in other States, are dependent, in whole or in part, on imports in order to keep operating. Imports provide supplies of things which Pennsylvania industries and consumers need but which (if obtainable at all) can be obtained in this State or in this country only at higher costs, if at all. Among the industries which must have imported raw materials are, the steel industry, the silk and woolen-textile industries, the nonferrous metal and metal-products industry, the leather and leather-products industry, cane-sugar refining, confectionery industry, and the rubber industry.

In 1939 Pennsylvania industries which depend in whole or in part on imported raw materials produced more than \$2,000,000,000 worth of goods, employed more than one-third of a million persons, and paid out more than \$500,000,000 in wages and salaries.

It is well known, of course, that Pennsylvania and other consumers rely on imported supplies of coffee, tea, spices, cocoa, tapioca, and other products. The United States does not produce enough sugar, wool, hides, and certain other things for its own requirements.

IMPORTS NO MENACE TO DOMESTIC PRODUCERS

American producers of some commodities more or less competitive with imported products sometimes express fears that their industries will be injured by huge imports of low-cost foreign goods. Experience under the reciprocal-trade-agreements program has not borne out those fears. The tariff reductions made by the United States in trade agreements are made only after the most thorough investigation to make sure that serious harm will not result for domestic industry.

In addition, most of the trade agreements now in effect, and all of those which may be concluded in the future, will contain an escape clause under which the United States can take immediate action to withdraw or modify a trade-agreement concession if it is found that, as a result of the concession, imports have so increased as to cause or even threaten serious injury to a domestic industry.

Among the commodities produced in Pennsylvania whose American producers have given voice to fears of foreign competition as a result of trade agreements are glass, silk and woolen textiles, rayon, pottery, and shoes.

In the case of glass, however, the United States is on a strongly export basis and domestic production has increased from a value of \$450,000,000 in 1937 to \$900,000,000 in 1946. Imports in 1937, the peak prewar year, were valued at \$10,000,000; in 1946 the figure was slightly over \$4,000,000. Exports of all glass and glass products were valued at nine and three-quarter million dollars in 1937 and at fifty-four and two-thirds million dollars in 1946. Before the war the United States produced more plate glass than all the European countries combined and production has risen from 141,471,000 square feet in 1939 to 252,000,000 square feet in 1947. Since the 1920's imports have supplied less than 1 percent of domestic consumption. In addition to these exports it is estimated that more than \$3,000,000 worth of plate glass is exported annually in automobiles.

Domestic production of window glass has increased from 550,867,000 pounds in 1939 to 1,160,000,000 pounds in 1947; in the same period exports have increased from 730,000 pounds to 44,712,000 pounds; imports have

dropped from 26,584,000 pounds to 281,000 pounds.

While the United States reduced its tariffs on window glass by some 30 percent in the recent agreement at Geneva, American glass producers will benefit by concessions granted to the United States by our two principal foreign customers, Canada and Cuba, in the same agreement.

The American woolen and worsted textile industry produces mostly medium and low-priced fabrics which meet more than 95 percent of the domestic demand for these fabrics. Imported fabrics are of fancy goods imported to meet a specialized and very limited demand at high prices on the basis of quality and style preference. Imports supplied smaller and smaller proportions of domestic consumption during the period 1929-39, and domestic production supplied 98 percent of consumption during the latter year. United States tariff duties on certain woolen fabrics have been reduced by proportionately greater amounts on the higher-priced goods, and the United States has reserved the right to increase the duty on imports of woollens and worsteds in excess of 5 percent of average annual production in the United States. Under these circumstances the great bulk of the industry in the United States retains fully adequate protection from foreign competition.

Before the war, silk was being largely replaced in American consumption by rayon, nylon, and other synthetic textiles. From 1929 to 1944 United States rayon yarn production increased about five times, and rayon staple fiber about 30 times. Postwar production is expected to show further great increases. Exports of rayon fabrics from the United States in 1939 were about 10 times greater in value than imports.

Imports of pottery, including the few types on which United States duties have been reduced, have steadily declined since 1937 and, in 1939, equaled less than 7 percent of domestic production. At the same time, domestic production has increased rapidly.

Similar conditions apply to other commodities on which United States tariffs has been reduced in trade agreements, and clearly demonstrate that domestic industries have nothing to fear from the trade-agreements program.

EXHIBIT B

STATEMENT ADVOCATING RENEWAL OF THE RECIPROCAL TRADE AGREEMENTS ACT BY H. J. HEINZ II, PRESIDENT, H. J. HEINZ CO., AND CHAIRMAN, UNITED STATES ASSOCIATES OF THE INTERNATIONAL CHAMBER OF COMMERCE, BEFORE THE SUBCOMMITTEE ON TARIFF AND RECIPROCAL TRADE OF THE COMMITTEE ON WAYS AND MEANS OF THE UNITED STATES HOUSE OF REPRESENTATIVES, MAY 5, 1948, WASHINGTON, D. C.

Mr. Chairman and gentlemen, despite the fact that we are met today in closed hearings, your recommendations in regard to the renewal of the Reciprocal Trade Agreements will make front page news wherever people read. Interest in your work is at least as great in Moscow, London, Paris, and Chungking as it is in Washington.

I head a company which operates plants on three continents and does business in almost every country in the world. In the past 3 years, that business has taken me to Canada, England, the European continent, South Africa, and Australia. I think I have had perhaps a better than average opportunity to form an opinion of our commercial relations with the rest of the world.

To my mind, the economic and political stability of the world will rest to a large extent for some years on a delicately balanced tripod. At present the legs of that tripod are the International Bank and Monetary Fund, the European relief program, and the Reciprocal Trade Agreements. If we eliminate or

shorten any of these legs, world political and economic stability may topple.

As a member of the Republican Party I am proud of the record of statesmanship in international affairs which this Congress has made. I hope that record finally will contain at least one more chapter of accomplishment before adjournment—the renewal of the Reciprocal Trade Agreements Act.

I believe that the reciprocal trade program should be extended for at least 3 years for these reasons:

1. The ultimate success of the European recovery program depends on renewal.
2. Our prestige throughout the world depends on renewal.
3. Our effort to contain communism will be aided by renewal.
4. Continuing domestic prosperity requires renewal.

1. THE ULTIMATE SUCCESS OF THE EUROPEAN RECOVERY PROGRAM DEPENDS ON RENEWAL

Only recently Congress thoroughly debated the merits of ERP. After exhaustive study you agreed that the economic rehabilitation of Europe is necessary for world peace and world trade. Passage of the Foreign Assistance Act of 1948 is ample evidence of Congress' and this country's conviction that revived trade is essential to the welfare and best interests of the United States.

Congress insisted on certain *quid pro quos*. Europe must help herself. To receive aid during the full life of ERP, it was understood that the recipient countries would step up their production goals to an extent that rivaled our own efforts under the stimulus of war. You required as one of the conditions that the recipient nations "cooperate with other participating countries in facilitating and stimulating an increasing interchange of goods and services among participating countries and with other countries as well." You also demanded that these countries "cooperate to reduce barriers to trade among themselves and with other countries." We must remember the United States is a participating country.

If we attempt to emasculate or fail to renew the Trade Agreements Act, can we demand a wholehearted effort by other countries? To do either would be to retard seriously the development of trade and would indicate at the very least a real reluctance on the part of the United States to do the same things which we tell others that they must do. If we expect them to rebuild their economies, we must provide opportunity for them to sell goods and services abroad.

2. OUR PRESTIGE THROUGHOUT THE WORLD DEPENDS ON RENEWAL

In the Orient, men and nations are concerned about "face." Our faces are going to be very red, our world prestige is going to fade, if we in this period of world economic crisis appear to sanction any retreat to economic isolationism. Even the slightest retreat will be interpreted in some quarters as a major rout.

If we could choose to let our prestige wane and at the same time choose to abdicate our position of world leadership, we might permit the reciprocal trade program to lapse. However, we have no such choice. We cannot abdicate.

In 1945, our Government issued the Proposals for Expansion of World Trade and Employment. Out of this grew the London, Geneva, and Habana conferences. Wherever I have gone abroad businessmen have greeted these moves of ours plus our support of reciprocal trade agreements as evidence that the United States is going to assume its full responsibility of world economic leadership.

In the years between the two world wars, commodity agreements, cartels, bilateral agreements and blocked currencies helped to divide the world into groups of economically warring nations. However, during the past

few years progress has been made by many nations toward reducing and eliminating such artificial obstacles to world trade. But most nations are still a bit uneasy. Any material change in the Reciprocal Trade Act as it now stands would be viewed correctly by the whole world as evidence of inconsistency and vacillation on our part at a time when the constancy of American purpose is the hope of the entire world—at least that part of the world which is allowed to hope.

3. OUR EFFORT TO CONTAIN COMMUNISM WILL BE AIDED BY RENEWAL

If I were to list the major objectives of world communism, I would put high on that list the forced withdrawal of the United States from world trade. Recent economic history indicates that when foreign trade is at high levels the trading nations enjoy greater economic stability.

World markets need American goods and this demand helps to maintain our production and will increase their productivity unless—

- (a) Our prices rise to a point where purchases cannot be made; or
- (b) We do not permit our customers to create dollar exchange with which to purchase our goods.

Communism does not flourish nor does it have much of a popular appeal when economic conditions are prosperous and stable. Even if we wanted to—and we don't—the United States could never attempt to be the lone rich nation in an international slum.

4. CONTINUING DOMESTIC PROSPERITY REQUIRES RENEWAL

We must recognize that we have not had a truly sound world trade since before World War I. In the twenties our foreign trade was financed by loans which were never repaid. In the thirties our trade was financed by the import of gold which we promptly buried. This reduced the gold reserve of our customers and contributed materially to their economic instability. In the forties our foreign trade has been primarily financed by Government subsidies much of which will never be repaid.

Obviously none of these three methods of financing has provided a healthy, dynamic world trade. Extension of reciprocal trade agreements will assist in correcting trade imbalance.

Our present prosperity is synthetic unless our present export business is replaced by exports which are paid for in dollars which other nations get by selling to us. We have half the world's productive capacity and we are going to need foreign markets if we are to keep that productive capacity at work.

Full employment is now rated at about 60,000,000 jobs and 600,000 new people are coming into the labor market each year. If they are going to have jobs, we must export. Our foreign trade accounts for somewhere between 5 and 10 million jobs and that can be the difference between good and bad times. If we need to export to prosper, so do other nations; and renewal of the Trade Agreements Act is an assurance that the United States will not exclude their goods.

Currently the importation of goods which reciprocal trade encourages is anti-inflationary, because it increases the total supply of available commodities. It increases business in the distributive trades; it lowers the cost of many manufactured items by providing scarce but essential components. In the food industry many products would not even be processed where it not for imported materials. Many people forget that before the war the United States was the largest net importer of food in the world.

The principal question is not what we export for seemingly there is no present limit to the demand for American-made goods—but what we will import. We cannot limit our imports to those commodities which cannot be produced in this country but must

import larger volumes of goods which will compete with American-made products. This need not be disastrous as some might allege.

Skilled American workmen, competent management, adequate financing, and modern American equipment will permit our producers to compete with foreign imports. There is ample evidence that the American per-unit cost compares favorably with unit cost of foreign producers despite the disparity between wage rates.

In recommending renewal of RTA for 3 years, I do not wish to indicate in any way that Congress should lose any of its rightful control over this country's destiny. It should have the power to review the law at the end of 3 years. The determination of our trade policy remains with Congress. The existing machinery for hearing, reviewing, recommending, and bargaining, plus the escape clause is in my opinion adequate to execute such policy.

Any shorter period than 3 years would indicate an uncertainty in the United States policy which would discourage other nations in planning their trade policies. Negotiation of trade agreements is a lengthy process. As a practical measure, it would be extremely difficult to either negotiate new agreements or renegotiate old agreements if the present reciprocal trade program is extended for a period shorter than 3 years.

THE AMERICAN PULLEY CO.,
Philadelphia, May 14, 1948.

Hon. FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MYERS: Six years in a foreign country representing an American manufacturing company, plus a good deal of subsequent experience, study, and observation of international trade in its practical aspects, have led me to the firm conviction that the leading manufacturing and trading countries of the world must ever think in terms of reducing the barriers to international trade, whatever their form, as fast as circumstances reasonably permit. The foreign policy of the United States features this general premise.

I am convinced that the Reciprocal Trade Agreements Act is a major element in this policy and that it has fulfilled a useful and important purpose in promoting the relaxation of trade barriers and the over-all flow of goods between countries.

Whether we like it or not, we must continue to take the lead in finding ways to increase international trade, including an increased volume of imports. Renewal of the reciprocal trade agreements is therefore clearly indicated by the circumstances, and I hope that you will see fit to vote for doing so.

Sincerely yours,

J. H. ROBINS,
President.

UNIVERSITY OF PENNSYLVANIA,
WHARTON SCHOOL OF FINANCE
AND COMMERCE,
Philadelphia, May 27, 1948.

Senator FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MYERS: I urge you to exert every effort to see that the Senate passes a bill extending the Trade Agreements Act for a 3-year term without crippling amendments, in place of the ridiculous act of sabotage and shortsightedness and partisan folly which has recently passed the House.

As a teacher of international politics and American foreign policy, I can think of no action which would do greater harm to our long-term objectives and to the cause of international economic sanity than the failure of the Congress to extend that program

which has rightly been called "the cornerstone of our foreign economic policy."

I know that you are even more aware of the significance of this matter than I am. All I can hope, therefore, is that my letter, along with others to the same effect, may give you encouragement and support at this time, when so many of your fellow Members of the Congress seem incapable of putting national interests ahead of fancied political expediency.

Yours very sincerely,

NORMAN D. PALMER,
Associate Professor of Political Science.

WAYNE, PA., June 1, 1948.

Hon. FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

DEAR SIR: In view of the fact that the question of extending the present reciprocal-trade agreements is now under consideration by the Senate of the United States, I would appreciate your doing everything in your power to have these extended for the full 3-year term after their present expiration date. At the same time I believe that you will find it beneficial to this country as a whole and especially to your own State of Pennsylvania to have the present tariff duties reduced to the maximum extent permitted under the law.

In the first place, I believe that you should extend the present reciprocal trade agreements for a 3-year period not so much because of the benefits arising from the provisions of the law itself but more because of the moral effect which such an extension would have on the many foreign countries to whom we, after many years of advocating high tariffs, have begun to advocate freer trade with less tariff barriers. Especially is this so in the case of the European nations where lower tariffs were advocated in connection with the Marshall plan in order to increase the interchange of goods between the various European countries thus lessening their dependency on goods obtained from or paid for by this country. If, after having recently advocated freer trade among nations, we should now prolong the present reciprocal trade agreements by only 1 year with the implication that they would probably be canceled at the end of that time, we would no doubt cause other countries to adopt other restrictive measures to restrain their foreign trade with the result that each country would try to become as self-sufficient as possible with possible disastrous results. At the same time we would lose what moral standing we had gained since very few countries would trust us after we had advocated one course for them and almost immediately followed the opposite course ourselves.

With regard to the lowering of tariffs to the maximum extent permitted by law, this should be done to protect both our manufacturers and the people who work for them. As you know, at the present time a large percentage of our exports are being paid for by money which has either been loaned or given to foreign governments. In the case of the money which has been loaned, it can only be repaid by selling us goods or services. Since our ability to use the services provided by foreign countries is rather limited, this means that most of our loans would have to be repaid by the sale of goods to us by the foreign countries. If, by the use of high tariffs or any other means, we prevent the foreign countries from selling us their products, they will not be able to repay the loans which we have made them and the result will be that our Government will have to cancel these loans. This cancellation would mean that the loans would have to be paid by the taxpayers in this country, since our Government is the people themselves, and

any loss which the Government would have to absorb by reason of the nonpayment of these foreign loans would be passed on to the taxpayers.

In the case of gifts to foreign nations, the cost of these has already been absorbed by the taxpayer since the money for these gifts comes from our National Treasury, whose principal source of revenue is the taxpayer.

Since, therefore, the taxpayer will always have to pay for any foreign aid unless the cost of that aid is repaid to us by the foreign nations which receive it, every effort should be made to make it possible for the various foreign nations to reduce the amount of aid required by permitting them to sell us goods. The easiest way in which foreign nations can be induced to sell us more goods is by a reduction of tariffs to the point where the goods produced by these countries will be able to be sold widely in this country. Although you may say, and rightly so, that such reductions in tariffs may take some of the market from our domestic producers, I wish to point out that these domestic producers or their employees must pay out in money the equivalent of the goods which would be imported into this country if tariffs were lowered so that they do not benefit from higher tariffs but only appear to do so since they can see for themselves the fact that a plant must reduce operations due to lower tariffs but do not readily see that they must pay higher taxes because we are making gifts to Europe since the cost of these gifts comes from their taxes and is not collected as a separate item.

Coming, as you do, from an industrial State, you can readily see that it is to the advantage of the factories in this State to work as near full capacity as possible which means that they will usually have to export in order to do this. Since, as explained above, unless our taxpayers pay the cost of such exports either as gifts or because of the foreign nation defaulting on their loans from us, it will be necessary for us to import merchandise approximately equal in value to the value of the merchandise sold to the foreign country. Another point which I wish to call to your attention is the fact that a great many of the products which are imported into this country and which frequently pay the highest tariffs are hand-made products which do not directly compete with the products made here.

From a study of the present tariff schedules, you will find that a great many of the products on which duties of 50 percent or more are charged are products which are normally hand-made and which therefore are not in direct competition with American products. On the other hand, most of the products which would directly compete with products made in this country carry low rates of duties, this being especially true in the case of items which are mass produced here. Since there would be an advantage to our manufacturers of mass-produced materials to have customers who can pay them without having the money come eventually from the American taxpayer, I would suggest that you try to establish a ceiling of 50 percent on the duty which may be assessed against any foreign product imported into this country. Since this lowering of duties will not affect the great majority of products made in this country and will affect very few of the products made in this State but will provide foreign countries with a means of obtaining dollars with which to pay for the products made in your State and by the voters to whom you will turn for reelection, I believe that you can appreciate the advantages to be gained by this proposed reduction of tariffs.

In the foregoing I have tried to show the advantages to the taxpayers of this State and country of extending the present reciprocal

trade agreements and also the advantage of lowering the present tariffs and, in the hope that you will use your influence to have these things done, I am,

Very truly yours,

FRED W. WEISENBACH.

UNITED NATIONS COUNCIL

OF PHILADELPHIA,

Philadelphia, Pa., April 30, 1948.

Hon. FRANCIS J. MYERS,

Senate Office Building,

Washington, D. C.

DEAR SENATOR MYERS: The Legislative Committee and the Committee on Reciprocal Trade Agreements of the United Nations Council have endorsed the enclosed statement of policy. Also the Philadelphia Chamber of Commerce has advocated prompt passage of the Reciprocal Trade Agreements Act (H. J. Res. 335) now held in the House awaiting hearing.

In view of the great need for world trade revival and its special significance to an industrial region like Philadelphia, we look to you for leadership in this issue.

Can we count on your vote to support this bill and to withstand any efforts to cripple it with restrictive amendments?

Very sincerely yours,

Mrs. GRENVILLE D. MONTGOMERY,

Chairman of the Legislative Committee of the United Nations Council of Philadelphia.

LEAGUE OF WOMEN VOTERS,

YARDLEY-MORRISVILLE BRANCH,

Yardley, Pa., May 5, 1948.

The Honorable FRANCIS J. MYERS,

Senate Office Building,

Washington, D. C.

DEAR SENATOR MYERS: This League has sent the following telegram to HAROLD KNUTSON, chairman of the House Ways and Means Committee, and to BERTRAND W. GEARHART, chairman of the Tariff Subcommittee, House of Representatives:

"The Yardley Morrisville League of Women Voters, no sewing circle, having studied international trade for 6 months, greatly deplores no opportunity for public hearings in Ways and Means Committee, and emphasizes its conviction that an un-amended reciprocal trade agreement will be a potent factor in bringing peace and prosperity to the United States and the world."

We earnestly hope that you will do your utmost to see that this important matter is given open hearings, since we feel that the extension of the reciprocal trade agreement in its present form is vital to world recovery.

Very truly yours,

CLARA BROMBERG, Secretary.

PHILADELPHIA JOINT BOARD,

AMALGAMATED CLOTHING

WORKERS OF AMERICA,

Philadelphia, Pa., May 19, 1948.

Hon. FRANCIS J. MYERS,

United States Senate,

Washington, D. C.

DEAR SENATOR: On behalf of the 20,000 members of the Philadelphia Joint Board, A. C. W. A., we urge that you act favorably on the bills extending the present reciprocal trade agreements program (H. J. Res. 335).

Never before in the history of our country has this program been as vital as it is today. Our Government has undertaken the building of a democratic Europe by the passage of the ERP, but in the long run an active, well-balanced world trade is the only way to prosperity and lasting peace. Congress, therefore, must and should lower tariffs to allow international trade to increase.

If world trade is to be extended, the United States must take the lead.

Yours very truly,

CHARLES WEINSTEIN,

Manager.

LEAGUE OF WOMEN VOTERS OF

HAVERFORD TOWNSHIP,

Haverford, Pa., May 21, 1948.

Senator FRANCIS J. MYERS,

Senate Office Building,

Washington, D. C.

MY DEAR SENATOR MYERS: The United States renewing the Reciprocal Trade Agreements Act before June 12 is in my opinion of utmost importance for world economic recovery. We must show our readiness to cooperate and share in world trade now and for the next 3 years. I hope you will do everything you can to see that this is renewed in its original form. I appreciate the work that you have already done for this.

Sincerely,

Mrs. W. E. CADBURY, Jr.

LEAGUE OF WOMEN VOTERS OF

PENNSYLVANIA,

Philadelphia, Pa., May 25, 1948.

The Honorable FRANCIS J. MYERS,

Senate Office Building,

Washington, D. C.

DEAR SENATOR MYERS: The League of Women Voters of Pennsylvania, knowing well your stand on tariff barriers, is confident that you will exert your influence when the proper time comes to insure the extension of the trade agreements for a 3-year period, with no change in procedures as provided for in House Joint Resolution 335.

We are strongly opposed to the Gearhart bill, H. R. 6556, just reported out of committee providing for a 1-year extension and in other ways opening the door to the old log-rolling practices. We are certain you disapprove of this and we very much value your position in the matter.

Please do not feel you should answer this letter.

Sincerely yours,

Mrs. ROBERT P. WETHERALD,

President.

LEAGUE OF WOMEN VOTERS OF

PHILADELPHIA,

Philadelphia, Pa., May 26, 1948.

The Honorable FRANCIS J. MYERS,

Senate Office Building,

Washington, D. C.

DEAR SENATOR MYERS: The League of Women Voters of Philadelphia has directed me once again to write you urging your vote in favor of renewing the Reciprocal Trade Agreements Act for a full 3-year period, without any modification. This act is basic to the success of the European recovery program; its continuation is fundamental to providing an outlet for the products of other countries. To achieve recovery other nations must sell, as well as buy; if we will not buy how can we expect them to repay us for what we sell them? May we count on your full support for the reenactment of this measure?

Sincerely yours,

Mrs. DONALD F. BISHOP,

President.

PHILADELPHIA, PA., May 18, 1948.

Hon. FRANCIS J. MYERS,

United States Senate:

World trade week meeting last night approved unanimously extension of Reciprocal Trade Agreements Act for 3 years in present form without crippling amendments. Seven groups participating in meeting represent 12,000 members of Philadelphia Chamber of Commerce; Foreign Traders Association of Philadelphia, Inc.; Foreign Policy Association; Junior Chamber of Commerce; Pan-American Association; Philadelphia Commercial Museum; and United Nations Council. Resolution expresses expectation that legislators will recognize the changed international status of our country and adopt policies consistent with that position.

ROLAND L. KRAMER,

Chairman, Philadelphia World Trade Week Committee.

LANCASTER, PA., May 26, 1948.

Hon. FRANCIS MYERS,

Senate Office Building:

Public affairs committee, Lancaster YWCA, urges support 3-year renewal Trade Agreements Act.

Mrs. J. NEVIN SCHAEFFER,

Chairman.

PITTSBURGH, PA., May 25, 1948.

Hon. FRANCIS J. MYERS,

Senate Office Building:

This organization strongly favors 3-year extension Reciprocal Trade Agreements Act.

JAMES H. GREENE,

Executive Vice President, Pittsburgh Chamber of Commerce.

YOUNG WOMEN'S CHRISTIAN ASSN.,

Philadelphia, Pa., May 28, 1948.

The Honorable FRANCIS J. MYERS,

Senate Office Building,

Washington, D. C.

MY DEAR SENATOR MYERS: A short time ago we wrote you that the metropolitan public affairs committee of the Philadelphia YWCA had gone on record as favoring an extension of the Reciprocal Trade Agreements Act for a period of 3 years and with no crippling amendments. We are greatly distressed by the action just taken by the House in ratifying an extension for just 1 year and with time-consuming procedures, such as, giving Congress some veto power in tariff making.

The present act provides for the participation of seven governmental agencies in public hearings and the subsequent decisions as background for the negotiation by the State Department (as agent of the President) of reciprocal trade agreements with other countries. Out of their several interests a composite point of view is developed, which reflects the general national interest as effectively as it is humanly possible to do. This approach to negotiations with other countries has proved workable and effective during the past 14 years and it seems to our committee that such procedures should be continued. A 3-year extension of the present Trade Agreements Act without any amendments, remains the one hope for the United States continuing a consistent world-trade policy.

Therefore, when this question comes to the Senate for action we trust that you will do all in your power to see that the Senate passes a satisfactory and workable Trade Agreements Act.

Very sincerely yours,

Mrs. EDWIN E. AUBREY,

Chairman, Metropolitan Public Affairs Committee.

YOUNG WOMEN'S CHRISTIAN

ASSOCIATION OF PHILADELPHIA,

Philadelphia, Pa., May 28, 1948.

The Honorable FRANCIS J. MYERS,

Senate Office Building,

Washington, D. C.

MY DEAR SENATOR MYERS: The board of directors of the Young Women's Christian Association, in its meeting of May 24, unanimously endorsed the Reciprocal Trade Agreements Act and urges you to take immediate action to see that this act (H. J. Res. 335) is passed without any crippling amendments. The members of the board feel that this is a vital factor in promoting world understanding and international peace.

Respectfully yours,

Mrs. W. W. COMFORT,

Corresponding Secretary.

ERIE COUNTY LEAGUE

OF WOMEN VOTERS,

Erie, Pa., January 29, 1947.

Hon. FRANCIS MYERS,

United States Senate,

Washington, D. C.

DEAR SENATOR MYERS: As legislative chairman of the Erie County League of Women

Voters, I am writing to urge your support of a program of international economic cooperation.

At this time there seems to be a rising tide of economic nationalism. You may be feeling pressure from businessmen fearful of foreign competition, protesting further tariff reductions. And yet, to prove our good faith in the unselfish promotion of world prosperity the United States must be willing to enter the World Economic Conference, set for April in Geneva, able to negotiate tariff reductions under the Trade Agreements Act with 18 nations. At the same conference it is hoped that agreement will be reached on a proposed charter for an International Trade Organization which will regulate trade to prevent discrimination and increase the flow of trade.

The dangers are evident. If, after leading the world thus far in the negotiations for better trade relations and economic peace, the United States abdicates its leadership, it will be a long time before any nation again takes seriously a United States proposal. Will we have freer nondiscriminatory trade, or will the world divide in economic blocs? The decision literally lies in your hands as a Member of the United States Congress. If we, the most powerful economic force in the world, back down on our stand for cooperation and isolate ourselves behind high tariff walls, the economically less-secure nations of the world will have no alternative but the formation of economic blocs. Our own export industry will suffer immediately. We have industrial capacity in excess of our own needs in some areas, and our farmers are already worried about falling prices and surpluses. If other nations have no dollars to buy our goods there will be unemployment in heavy industries and depression in farm prices.

May we hear how you feel about this problem?

Sincerely yours,

Mrs. JOHN C. ANDERSON,
Legislative Chairman.

[From the World Alliance News Letter of May 1948]

RESOLUTION ON THE RECIPROCAL TRADE AGREEMENTS ACT

The Church Peace Union endorses the Reciprocal Trade Agreements Act now in effect. The Church Peace Union recognizes that:

1. Our domestic prosperity is dependent to a great degree on international trade.
2. While the European recovery program is designed to reconstitute European industry, the success of the program is dependent upon access to markets able to absorb exports from western Europe.
3. The chances for peace will be immeasurably enhanced by a freer exchange of commodities among the nations.
4. The abandonment of the Reciprocal Trade Agreements system would be evidence of the American faith in the process of peaceful international collaboration.

For these reasons the Church Peace Union earnestly urges the extension of the Reciprocal Trade Agreements Act beyond the expiration date of June 12, 1948, and the prompt ratification of the International Trade Organization Charter.

[From the Pittsburgh Post-Gazette of January 28, 1947]

WORLD TRADE KEY TO CITY'S PROSPERITY— EX-GI EXPORTS PRODUCT FOR CHAMBER OF COMMERCE INDUSTRY COUNCIL

The critics who claim Pittsburgh's trade is dying on its feet will have to eat those words some day, if Harry E. Zwinggi has his way.

Mr. Zwinggi, a forward-looking ex-GI, who is secretary of the World Trade Council of the Pittsburgh Chamber of Commerce, has plunged into the job of convincing Pitts-

burgh businessmen and firms that the Steel City has hundreds of markets abroad for local products.

Convinced himself of the innumerable possibilities for establishing markets abroad, Mr. Zwinggi declared, "The World Trade Council receives at least 200 letters a month from points all over the world asking where they can purchase a particular product."

LUMBER FROM BRAZIL

Pointing out that every one of those letters represented a potential buyer of Pittsburgh's industrial goods, Mr. Zwinggi has taken on the task of making certain that a copy of the inquiry reaches every Pittsburgh producer of that product listed in the telephone book.

"For instance," he said, "we recently got a letter from a company in Brazil with mahogany to sell, and we notified every lumber company listed in the phone book of the offer."

Up until this time Mr. Zwinggi, who took over the council's secretarial post in February, has not been able to check on the results of this informal method of notifying Pittsburgh's businessmen, but the letters continue to pour in asking about Pittsburgh-made glass, steel sheets, paints, chemicals, and even hairpins and bathtubs.

"Pittsburgh's products are already known all over the world," Mr. Zwinggi said as he recalled the time he drove an army truck hundreds of miles into the jungle of Brazil.

"And there in a tiny community of 200 grass huts I found cans of Heinz food," he said, with the certain air of a man who needs no further proof of the selling qualities of Pittsburgh's goods.

FIRST EVER HELD HERE

In an effort to show other district merchants how they can join the 290 local firms already in the exporting business, Mr. Zwinggi and the council are planning the first world trade conference ever to be held in Pittsburgh.

Hundreds of district manufacturers are expected to attend the conference scheduled for March 31 in the William Penn Hotel. Plans are being completed now to obtain nationally known figures as the speakers. E. P. Schroeder, of the Westinghouse International Corp., is chairman of the council.

"Details of the program will include discussions on tariffs, customs, insurance, packing and marking, and all types of freight," he related.

Mr. Zwinggi's final proof that foreign trade is set for expansion is the large number of ex-GI's who come to him for information on how to establish import-export business, or where they can obtain employment in foreign trade.

"Sadly enough," he said, "most servicemen don't realize how much capital it takes to get started in foreign trade, but for those and the servicemen interested in studying for overseas jobs, we have information that may help them."

Mr. BARKLEY. Mr. President, I yield 4 minutes to the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, I do not intend to review the specific details of the bill. I merely want to say that I deeply regret that the majority party has undertaken to scuttle the reciprocal trade program which has been making such excellent progress during the past several years, and has come to be accepted by the American people and by the people of the world. I think the proposed action is entirely inconsistent with the purpose of the Bretton Woods Agreements. In those agreements we undertook to set up machinery which would promote multilateral trade

throughout the civilized world. This act will prevent that. I think the proposed action is inconsistent with the basic principles of the European recovery program. We are doing the opposite of that which we ask the European countries to do.

Immediately after the last war, and for many years thereafter, there was great complaint on the part of many of the same persons who are supporting the present bill that foreign countries were unwilling to pay their debts. They seemed to be unable to realize that there is only one way for foreign countries to pay their debts or to carry on trade, and that is that we give them an opportunity to sell something to our country. I take it that the future of international trade and of reasonable economic relationships, and from them a peaceful world, depends a great deal upon the willingness of the United States to purchase in foreign markets.

There was a time, of course, in the history of our country when protective tariffs were justified. There are individual or certain aspects of our economy today in which protection is justified. I think the administration, whether it be a Republican or a Democratic administration, could be relied upon to protect our industry in those specific instances where such protection is justified, but at this time, especially in view of the situation in the world and in this country, and in view of the action of the House on the ECA program. I think the destruction of the trade program will be a severe blow to our friends throughout the world and that it will discourage them as to the future policy of our country if we are not willing to cooperate in the development of multilateral trade agreements and are unwilling to make use of them in the political relationships which are involved in trying to integrate the western democracies.

I feel that it is a great mistake at this time, especially without thorough and serious consideration, to throw this program overboard. It would seem to me that if the majority party is as confident as they say they are of gaining the control of the executive as well as the legislative branches of the Government, they could well wait until next year to give thorough consideration to the matter. I think it is not only very bad judgment, but bad taste to come at this time in the Congress and ask for a bill which certainly on its face seems to be a repudiation of the reciprocal-trade program which has come to be accepted by the world as a basic principle of our foreign policy. This act will be but one more reason for the people of other nations to feel that they cannot rely upon our pursuing a consistent foreign policy.

I regret that I feel I must vote against the bill in its present form. Unless it is amended in a way to extend the existing law for at least 1 year—and I would hope 3 years—I must vote against the bill.

Mr. CONNALLY. Mr. President, does the Senator from Colorado desire to use any of the time under his control now? The Senator from Kentucky authorized me to yield myself 5 minutes.

Mr. MILLIKIN. Mr. President, will the Senator yield to me for a moment?

Mr. CONNALLY. Yes.

Mr. MILLIKIN. I send to the desk three amendments which will be offered at the appropriate time.

The PRESIDING OFFICER. The amendments will be received and will lie on the table.

Mr. IVES. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. IVES. I send to the desk an amendment, which I shall ask to have considered at the appropriate time.

The PRESIDING OFFICER. The amendment will be received and will lie on the table.

Mr. CONNALLY. Mr. President, I yield myself 5 minutes.

I regard it as distinctly unfortunate that at this particular juncture of world affairs and our relationship to those affairs, we should send a message to the rest of the world that we are beginning to change our policy with regard to international trade agreements. The trade agreements have been in operation now for a great number of years. They have not resulted, as I understand, in any great hardship upon any American industry. That was amply proved in the Committee on Finance when we considered the bill.

When former Secretary of State Hull proposed the reciprocal plan of handling international trade it was a somewhat unique departure from our old custom of horse-trading tariff arrangements. It is amazing that the plan was so successful. It is amazing that it has created so little real opposition here at home, although it has received opposition from the very beginning, and it is quite apparent that those who are active now in wanting to modify it and change it here and there have the same feelings and the same aspirations as those who opposed it from the very beginning.

Mr. President, we have learned in our international affairs in recent years that we cannot wrap our cloak about us and live alone. The doctrine which we are now facing is a suggestion that we return, at least partially, to economic isolation. We cannot survive on economic isolation. We have got to deal with other nations of the earth. The produce goods which we need. We produce goods which they need. In a healthy international relationship economically we find sources of strength for both our economy and for their economy. Just now, when we have passed the measure providing for the European recovery program, to help rebuild Europe, to restore its productive industries, to feed its famished people, is no time to change that policy and revert to our old system which we abandoned years ago.

We have found, Mr. President, that we cannot get along on the road to peace with isolation. We have come to know that we have got to cooperate with the other nations of the world if we are to attain the objectives of peace and make it possible for the peoples of the world to resume proper activities in their chosen professions and vocations and businesses.

So, Mr. President, as we cannot pursue the paths of peace successfully with a policy of isolation, we cannot successfully pursue an economic policy by cutting off to a measurable extent our trade with the rest of the world.

We cannot trade with other countries successfully when we say that we shall trade with them but demand that the trading shall be on our own terms; that we are unilaterally to determine the conditions upon which we will trade with them. What good does it do to say to a foreign nation, "Come over and trade with us, but when you come over and trade with us you must trade entirely upon our conditions and our terms, upon our dictates, upon our policies, upon our unilateral edict as to what kind of trade we will conduct"? That is not trading. That is economic dictatorship. It will not succeed. In the long picture it will not benefit our country as a whole. There may be some industries here and there which would derive an unholy profit from the other policy; but in the large picture and in the fuller view, our economic system and our people cannot prosper unless we trade with the other nations of the world. If we are to trade with them we must make conditions which will permit them to trade with us and receive a cooperative benefit from the transaction. It must not redound wholly to our own selfish privilege or advantage. We cannot successfully trade with foreign nations upon our own terms.

Do we want to send this message to the other nations of the world? Do we want to send such a message to Europe, for whose benefit we are pouring out billions of dollars to rebuild her industries and make it possible for European countries to produce more goods? What are they going to do with their goods unless they can dispose of them? What are they going to do with their good without markets? That would indeed be a solemn message to send to the 16 co-operating nations of Europe. It is said that we are a great creditor nation; and we are a great creditor nation. How are the debts to be paid unless we permit the importation of goods from abroad?

Secretary Hull initiated this program. He has seen it succeed. I has now attracted world-wide attention, as witnessed by the fact that an International Trade Organization has been formed. Let us not abandon it. Let us not send the message out yonder to Secretary Hull in the naval hospital that his great achievement has been wrecked.

We ought to extend this program for a year as it is. I would prefer an extension of 3 years as it is. Within that time, in another year from now, we could approach the problem again with greater success.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. BARKLEY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. Twenty-six minutes.

Mr. BARKLEY. How much time has the Senator from Colorado?

The PRESIDING OFFICER. Eleven minutes.

Mr. BARKLEY. I understand that the Senator from Colorado has only one further speech, and that that will be his own. Therefore, as the proponent of the legislation, I suppose he is entitled to close. I shall consume my time at this juncture.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. BARKLEY. Mr. President, I was a Member of the Senate, and of the Committee on Finance, when the Tariff Act of 1930, commonly known as the Smoot-Hawley Act, was passed. The enactment of that legislation was one of the most excruciating and tortuous experiences in the history of the United States Senate. Following the election of Mr. Hoover in November 1928, the Committee on Ways and Means of the House of Representatives began in December 1928 to hold hearings on a new tariff act. Bear in mind that from 1921 until 1928 there had been enacted two separate tariff acts under the jurisdiction and guidance of the party then in power, which happens now to be in power in the two branches of the Congress.

Those hearings began in December 1928. They continued through the winter of 1928 and 1929. The House passed the bill. About the middle of 1929 it came to the Senate and was referred to the Committee on Finance. Hearings were conducted before the Finance Committee, followed by consideration of the bill on the floor of the Senate. Final enactment came on the 30th of June 1930.

So the Congress was occupied almost exclusively, and certainly in a major sense, from December 1928 to June 1930, a period of more than 18 months, in the consideration of the last congressional tariff act. We talk about log-rolling and back-scratching. There was so much log-rolling on the floor of the Senate that we could see the logs rolling down the middle aisle. There was so much back-scratching that it was almost possible to see blood trickling down the backbones of Senators.

I know that Senators who say that they do not want to go back to the old system are sincere about it. I should dislike to think that there was a single Member of this body who wished to go back to the old method of making tariffs. But whatever the desires of Senators may be, however much they may deplore any possibility or tendency toward a return to those days, what is proposed here today is a tendency in that direction. It is a backtracking of our record, toward the old-fashioned way of making tariffs.

When the bill came to the floor of the Senate in the spring of 1930, although the Republicans were in the numerical majority of the Senate, with respect to nearly every single roll call, on nearly every item and nearly every schedule, the rates were reduced, as compared with those imposed by the amendments reported from the Senate Committee on Finance. When the bill reached conference, the conferees being headed by the late lamented distinguished Senator from Utah, Mr. Smoot, joint author of the bill,

all the high rates were restored, and the bill came out of conference in the same form in which it had been reported, and it finally became law.

I do not mean to indicate that that measure alone was responsible for the disasters which occurred in this country and the world; but undoubtedly we set an example for all the other nations. By that act we practically announced that we were self-sufficient, that we need not trade with other nations, that we constituted a self-sufficient, water-tight economic trade compartment, thereby setting the example for nearly all the other nations to do the same thing. I believe that that very situation and that very development made a very substantial contribution not only to the panic of 1929 and the early thirties but also by reason of its emphasis upon a narrow, hide-bound nationalism all over the world, made a very substantial contribution to the conditions which brought about World War II.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BARKLEY. I have only a limited time. If the Senator will wait until I conclude what I wish to say, I shall be glad to yield to him if I have any time left.

When the 1930 act was before the Senate the prediction was made here that when it became law, within 60 days from that very hour, prosperity would be on its way in the United States, employment would be revived, the curling smoke of industry again would be seen on the horizon. The distinguished Senator from Indiana, then the majority leader, Mr. James E. Watson, of whom all of us were fond and still are fond in a very affectionate way, made that specific prediction when the conference report was under consideration in the Senate.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I am sorry that I am so limited in time.

Mr. TOBEY. I only wish to inquire whether his tongue was in his cheek when he said that.

Mr. BARKLEY. I was not looking at his cheek, but I was thinking of his head. [Laughter.]

In 1929 our foreign trade—in 1929, mind you; just a year prior to the enactment of the Smoot-Hawley Tariff Act, which the Trade Agreements Act was intended to soften—our trade with other nations amounted to \$9,640,000,000, or only a little less than \$10,000,000,000, in that 1 year. But after the Smoot-Hawley Tariff Act became effective in June of 1930 our international trade fell off until, in 1932, it amounted to only \$2,934,000,000. That was for both imports and exports. That meant that in 2 years, operating under the Smoot-Hawley tariff law, which it was said would revive everyone in the United States, we lost two-thirds of our international trade.

Mr. President, we know what conditions were at that time. We know that farm surpluses were piled up until no market for them could be found. We know that the industries of the country were shut down because no markets for

their products could be found. In 1930 or 1931—I have forgotten the exact date—the Honorable Robert P. Lamont, then Secretary of Commerce in the administration of Mr. Hoover, in testifying before a committee of which I was a member, stated that a loss of \$1,000,000,000 in American foreign trade meant a loss of jobs by 3,000,000 American working people, no matter whether that loss of trade was in imports or exports; he said that much loss in our international trade meant the loss of 3,000,000 jobs in the United States.

So it was in order, Mr. President, not to return to the old log-rolling, back-scratching methods of enacting tariff laws; and when the Roosevelt administration came into power and Secretary Hull became the head of the State Department, recognizing the impossibility of getting a fair, economic tariff law by those methods, he proposed the Reciprocal Trade Agreements Act, which was enacted in 1934.

I should like to call the attention of the Senate to what happened under that act. Following the enactment of that law in 1934, many trade agreements were entered into under the jurisdiction of the President and the Secretary of State, in accordance with the law. A comparison of the annual average of our international commerce for the 2 years 1938 and 1939—and they were prewar years, let us remember—and our annual average of international commerce for the 2 years 1934 and 1935, 1934 being the year in which the Trade Agreements Act was passed, and 1935 being the following year, shows that for the years 1938 and 1939 United States exports to nations with which we had trade agreements increased 63 percent; in other words, in 1938 and 1939 we shipped to other nations which had trade agreements with us 63 percent more of our goods than we did in the corresponding period 1934-35; but our exports to non-trade-agreement nations increased by only 32 percent during the same period. In other words, during 1938 and 1939 under the trade-agreements program our exports to other countries—thus giving labor to American working men and profits to American capital—increased 63 percent, or nearly two-thirds, whereas our exports to the nations with which we had no trade agreements increased only 32 percent, or approximately only one-third. For the same period, United States imports from trade-agreement countries increased by 27 percent. So it appears that while we were increasing by 63 percent our exports to nations with which we had trade agreements, we were increasing our imports from those countries by only 27 percent, which could not possibly harm American industry; and we were increasing our imports from non-trade-agreement nations by only 12½ percent. I give those figures for those two corresponding periods of 2 years each because they are typical and present a fair cross section of our trade with trade-agreement nations and with nations without trade agreements with us, all of it being in a time of peace, and not in a period of stimulation due to war.

Of course, all of us know the chaos which existed all over the world when World War II ended. We know the devastation which had come about in all the world. We know how the war destroyed cities, industries, and economies, and actually destroyed the morale of the people of the world. It was then that we ourselves took the initiative in bringing about the enactment of legislation and the consummation of international policies which would revive trade and thereby revive employment and thereby revive economic stability and thereby also revive political stability, because, as all of us know, it is impossible to have political stability if there is no economic stability; and that is as much true of the United States as it is of any other country in the world. Whenever we have had economic depression and disaster, whenever we have had low employment and low business, that very economic condition has determined the political complexion of our country, as was evidenced in 1932 when, largely due to the economic collapse of our entire economy and our entire industrial system, the then candidate for President of the United States, Mr. Roosevelt, received an overwhelming majority, because of the economic conditions which prevailed in the country, and which had prevailed for nearly 4 years.

So we initiated all these movements. It was the United States of America, our Government, representing our people, that initiated the conference at Dumbarton Oaks that ultimately resulted in the conference at San Francisco which wrote the Charter of the United Nations; and in that Charter of the United Nations we not only dealt with political conditions and political cooperation, but we set up a Social and Economic Council to deal with social and economic problems in all the nations that were members of the United Nations. That was a movement initiated on our part, and it was consummated by the signatures of the representatives of nearly all the nations of the world.

We also initiated the conferences which took place at Bretton Woods, resulting in the establishment of the International Bank for Reconstruction and Development and the International Monetary Fund for the stabilization of currencies—all of which was an economic movement in the direction of international stabilization, international trade, and international cooperation to bring about the production of goods which might finally reach markets and thereby increase the employment of men to turn out those goods, because men cannot be employed in industries unless the products of those industries find a market.

So the question of employment and economic recovery and the question of profits on invested capital are involved in this international movement which we ourselves initiated in all the various organizations and set-ups of which we have been a part.

Then, of course, we know that it was our Government, representing our people, without regard to politics—and I am happy to say that in all these things there has been political cooperation here in the United States no less than coop-

eration between the heads of governments—that took the first steps leading to the United Nations. Without regard to politics, we endorsed the United Nations, and we rejoiced at its consummation; and the United Nations Charter was adopted by the Senate with only two dissenting votes, as I recall, and without regard to politics.

Likewise, without regard to politics we entered into and consummated the agreements at Dumbarton Oaks and Bretton Woods. Following that, we also initiated the Economic Conference at London, which proceeded later at Paris, and then at Geneva, and finally in Habana, designed to bring about an international trade organization that would seek in some way to level off the rough barriers, the rough edges which formed obstructions to trade and employment and profits and to economic political stability.

Let us see what we have done about that. We have not yet passed upon the International Trade Organization, because it has not reached us, and will not reach us for some time.

Mr. President, we have, as I said, initiated all these programs for international cooperation economically and in matters of trade. Then a year ago we initiated through our Secretary of State delivering what was then regarded by some as a mere casual commencement address at Harvard University, the program for economic cooperation on our part to help restore the devastated economies and morale of Europe. We know the history of that program. General Marshall said, and wisely said, that we could not be expected to pour money indefinitely into a relief program, that before we would be justified in doing much more, if any more, the nations of Europe must get together and take account of their own condition, take stock of their own possibilities, to see how much they could help themselves, and help one another, and when they had done that, then we would be in a position to know what we would have to do or could do under the circumstances.

All those steps were taken, at our invitation and at our suggestion. The result was the enactment of what is commonly called ERP or the Marshall plan, or the economic cooperation act, by whatever name it may be called; it makes no difference. Having in mind what we had done and what they had done, we set forth certain stipulations in the act of Congress. We required them first to make agreements one with another. We required them to make agreements with the United States before they could receive this assistance. The agreements they make one with another, which we require in the law before we will agree to give them any relief or any assistance, are that they shall cooperate to produce things within their own boundaries and cooperate to find markets for them beyond their own boundaries when they have been produced, that every one of those 16 countries shall level off barriers to trade and that not only shall they do that with respect to themselves, but they shall make agreements and efforts also with other nations likewise to level off

and reduce the barriers between the respective countries in the matter of trade, so that they may find a market for what they produce.

How foolish it would be for us to give any one of those countries money or loan them money in order to establish factories unless there were a fair prospect that what the factories produced could find a market in some other country. Would it not be a silly performance on our part to set up a factory in any country merely to see it produce goods without any possibility of a market? Therefore we require them in advance, and it is a part of the law which Senators can read for themselves and with which they are all familiar, that as a condition precedent they are to make agreements among themselves to stimulate production within themselves and to stimulate trade among themselves, which means the leveling off of carriers.

As a part of that, as a result of it, the organization of the customs union by Holland, Belgium, and Luxemburg, known as Benelux, has already been agreed to and is in effect. Subsequently an agreement by those countries and Great Britain and France has been entered into. All these things have been at our invitation, by our initiation, by our suggestion, and even later by our very requirement that before we will aid them they will do all they can to produce a revival of trade and a revival of employment and a revival of the economic foundations of liberty and political stability in all the countries which are involved in the Marshall plan program.

Mr. President, in spite of that which has been done at our suggestion and on our initiative, after leading these nations up the hill, after meetings in London and in Paris and in Geneva and in Habana, and through our influence and our persuasion, having led these nations up to the top of the hill in the international trade revival, we here are asked to march down the hill at least two-thirds of the way, leaving them up there where we have led them. I am unwilling to do that, and, because I am unwilling to do it, Mr. President, I shall not be satisfied with a 1-year extension of this act.

I shall offer an amendment to extend the act 3 years without limitation or restriction. If that is defeated, I may offer an amendment providing a 2-year extension. If that is defeated, or even if I do not offer the 2-year amendment, I shall offer a 1-year amendment, so that the Senate may pass upon the question whether it desires a continuation of the program without restriction and without delay and without requiring the President of the United States to wait around for the pleasure or the whim of a bipartisan Tariff Commission before he can even initiate negotiations with any other country in the world. And that is what this proposal is. He cannot even start to negotiate with any other Nation until he has submitted to the Tariff Commission the list of the things that might be the subject of any possible negotiation, and then he must

await their action before he can do anything further.

In my judgment, if this amendment, notwithstanding its distinguished sponsorship, shall be adopted by the Congress, there will be no more trade agreements entered into within the next year under it, because it will be physically and I believe intellectually impossible for the Tariff Commission, being a bipartisan board made up of three Democrats and three Republicans, even if it did not divide on party lines, to make all the investigations necessary to advise the President with respect to it so that another agreement might be made before the year expires.

Therefore I think the adoption of this proposal is the death-knell of the trade agreements program and anything that may be done under it.

The PRESIDENT pro tempore. The Senator from Kentucky has 1 minute remaining.

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement made before the House Committee on Ways and Means by the Honorable Charles P. Taft, in which he refutes the argument that injury has been done to any industry on account of the trade agreement program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF CHARLES P. TAFT, FORMERLY DIRECTOR OF WARTIME ECONOMIC AFFAIRS, DEPARTMENT OF STATE, VICE CHAIRMAN, CITIZENS COMMITTEE FOR RECIPROCAL WORLD TRADE, BEFORE THE HOUSE WAYS AND MEANS SUBCOMMITTEE MAY 6, 1948

This testimony is personal, and not on behalf of the Federal Council of Churches, although it is in no way inconsistent with the position of that organization which I have set forth today.

I was director of Wartime Economic Affairs in the State Department in 1944, and dealt with the problems of wartime procurement for us and for our allies and the requirements of all of us, as well as of the countries from which we purchased. It gave me considerable practical experience in this field. I was in charge of the presentation of the case for the Government in the hearings on the renewal of this act in 1945.

I do not wish to repeat the testimony of witnesses better qualified than I as to the urgent necessity for us in the United States not only to maintain our position of leadership in the economic reconstruction of the world, upon whose prosperity we must be dependent for prosperity at home, but to promote our own welfare by making the United States the greatest truly world market. That will mean both high levels of employment and general maintenance and improvement of our standard of living, and will promote healthy business and living conditions everywhere else.

What I wish to do today, however, is to recall what was predicted by various industry spokesmen 3 years ago and to tell you what has happened to their industries since then. That comparison casts serious doubts upon the fears so eloquently expressed now.

The statement made by Mr. W. L. Clayton on many occasions 3 years ago was that this program had been and would be so administered as to cause no substantial injury to any American industry of any import.

The problem is to determine what is "substantial injury." I submit to you that if from a base period there has been an increase

in the production of an American industry, in which of course I include those producing any major agricultural staple, it has not been injured at all. That is true even though it may supply a smaller percentage of American consumption of the product of that industry.

If there has been a reduction in the total production of the industry, then the industry has presumably been injured by something. The producers concerned, however, have clearly not been injured if they have without difficulty or loss switched to some other product which they are now producing profitably.

So, also, if they have maintained their percentage of American consumption, it would seem clear that the reduction is not caused by imports, but by general economic conditions, and the reciprocal trade agreements cannot be blamed. The industry has not been substantially injured by any such agreement.

Let me apply these principles to specific industries from which you have heard at length, either in the 1945 or 1947 hearings or in the Congress during these years.

The producers of pulp have been cited at length. Clearly what has happened to this industry has nothing to do with tariff policy, or at least very little. The exhaustion of our supplies of the raw material led inevitably to the development of supplies in Canada, and the producers themselves found it desirable to move the plants to Canada in many cases. The transportation cost of the raw material as compared with the cost of moving newsprint makes that obvious. Some of that trend is due to the absence in this country of adequate conservation policies. How can any intelligent person blame the reciprocal trade-agreements program?

On cattle, Mr. Mollin, of the National Livestock Association, testified that the act does not provide adequate safeguards against low-cost production abroad, and that no one but Congressmen from the districts where the industry was located could protect them. He felt that the real threat was the possibility that some day South America might clean up the hoof-and-mouth disease.

The hoof-and-mouth disease is worse than ever, and right next door to us at that. Meantime we pay sky-high price for meat, and Canada will not even let meat out. The percentage of our demand supplied by imports, which before the war was under 2 percent and was never over 5 percent, is now negligible. Is the cattle industry damaged by the tariff policy of the United States? When they are damaged, that is the time to act, and to act on the general basis that I have suggested above. In the meantime, I suggest that consumers have a little consideration, instead of bogeymen. Today we have the lowest number of stock sheep since 1867, and cattle and hog populations are away down. Where is any injury at all?

Three years ago there was no testimony from any aluminum producers so far as I can find. But there is an equally interesting contrast between statements made to Congress and to the stockholders in a series from the pen of Mr. Reynolds, of Reynolds Metal Co.

January 21, 1947: Reynolds says that if the tariff is reduced, cheap Canadian aluminum will enter the United States and destroy the independent aluminum industry.

During the public hearings of the Committee for Reciprocity Information, January 21, 1947, Mr. Walter L. Rice, vice president of the Reynolds Metals Co., stated that: "Reynolds Metals Co. believes. * * * that if you take the tariff protection away, if you let the Aluminum Co. of Canada come across the border and sell its cheap aluminum in this market, that you will destroy competition. You will destroy an industry that has real promise, and you will destroy a tremendous Government investment." He continued that "Reynolds Metals Co. is very definitely

interested in export trade as well as domestic trade. If we have a surplus production of aluminum, we are definitely interested in exporting that surplus to South America, to Asia, and to other foreign nations."

March 8, 1947: Reynolds' annual statement to stockholders cites strong demand and concludes further plant expansion needed.

The annual report stated: "Your management faces the future with optimism. The market for aluminum and its products have already been expanded to several times their prewar size. We are confident that the demand will require all of the present capacity plus further expansion." The report continues that net profits in 1946 (when United States imports were 41,000 tons, instead of 16,000 as in 1947) were 21 percent greater than during any previous year.

November-December 1947: Reynolds and and Permanente allege that cheap Canadian aluminum, as a result of tariff reduction, will "stifle" domestic independents.

Reynolds and Permanente petitioned the President, the Secretary of State, and Senators and Representatives to cancel the tariff reductions made under the general agreement (effective January 1, 1948, and to raise the old duty by 50 percent on grounds that "full justice to the independent producers of this country would require a virtual embargo on Canadian aluminum." They said that the tariff reductions would enable the Aluminum Co. of America, through its relations with the Aluminum Co. of Canada, to bring low-cost Canadian aluminum into the United States to undersell the domestic independents and "to stifle the competition of the two new producers (Reynolds and Permanente) and thereby further entrench Alcoa's monopoly."

November 1947: Aluminum workers of Reynolds plants wire Congressmen that tariff reductions will jeopardize their jobs.

An example of these telegrams is Mr. Edward Kaiser's wire to Representative KERSTEN November 20, 1947, that "These tariff cuts will jeopardize jobs of 20,000 employees working in Reynolds Metals Co. because aluminum can be produced cheaper by Aluminum Co. of Canada."

January 1948: Canadian prices of aluminum are raised after the United States tariff reductions go into effect.

The Canadian prices were raised by 1 cent per pound, the full amount of the tariff reduction. Thus, contrary to the expectation implied in the Reynolds letters, Canadian aluminum is not being sold any cheaper in the United States after the tariff reduction than before.

April 1, 1948: Reynolds predicts continued prosperity in aluminum industry.

The annual report of Mr. Reynolds, president of Reynolds Metals Co., to company stockholders predicted that "In my opinion the year 1948 will see the continued prosperity of the aluminum industry * * * expansion in these numerous directions (building, construction, and automotive) coupled with the fact that national air power will be increased beyond the former peacetime expectancy levels, may well provide the necessity of increasing aluminum production beyond its present peak which is seven times greater than prewar." (Net income of the company was \$12,815,000 or \$11.12 per share in 1947 but data are not comparable with earlier years because of special income relating to financing another company.) (American Metal Market, April 1, 1948.)

April 19, 1948: Mr. Reynolds proposes construction of new aluminum plants.

Mr. Reynolds reported that a shortage of aluminum would make futile proposed expenditures for national rearmament and that domestic plants' capacity should be expanded to 1,000,000 tons per year.

I do not need to quote the many foreboding statements on woolen textiles in 1945

and 1947. I will only record the fact that net profits after taxes as one of my friends, Mr. Syivan Stroock's company in 1947, were nearly eight times as great in 1947 as in 1939 (\$908,000 from \$104,000), and the American Woolen Co. was up from \$2,300,000 in 1939 to \$20,000,000 in 1946, after taxes.

In cotton textiles I have great confidence in the capacity of Solomon Barkin, economist of the Textile Workers Union, CIO, on whose work Mr. Rieve's testimony was based. Dividends for the cotton-textile industry as a whole were reported for 1947 as 56 percent more than for 1946.

Where is the injury substantial or otherwise?

As to watches, Mr. Potter, of Elgin, said, in April 1945, "In short, whenever the industry gets back into civilian production, it will be infinitely worse off than it was when the war started. The reconversion will deepen this disadvantage." As to the predictions of competent observers that there was a reservoir of purchases of watches the same as other industries, Mr. Potter said:

"I think you have got to remember this: That there have been more watches sold in the last 3 years; that the money in the consumer's hands could buy watches—he couldn't buy anything else; that the other things were not available; and while we can see a good backlog of orders for a short time, for us to get back on the retailer's shelf, I don't see the big watch business that is going to match that \$150,000,000 income the way it is going to come along with your washing machines and your radios and whatnots. They are going to buy the things that they haven't had the opportunity to buy."

On August 18, 1948, appeared the following headline in the New York Times: "United States watchmakers seek a peak volume; 1947 sales expected to be 50 percent more than prewar level; Swiss competition strong."

On March 3, 1948, in the New York Times, appeared a story on the watch business and the Elgin Co. American ingenuity, which in the long run is all that can keep us ahead of anybody, has put Elgin with its new watchspring where tariffs can't do much to it. The story read as follows:

"Elgin watch record sales for 1947; net was \$1,387,244—equal to \$1.75 a share."

"The Elgin National Watch Co. transacted last year the largest volume of sales in its history, with a total of \$22,157,658, exceeding the 1946 volume of \$17,800,519 by 24.5 percent, according to the annual report of T. Albert Potter, president, mailed to stockholders yesterday. He forecast an increase in production in 1948."

I could go on in many other fields, and the story would be the same. Injury comes only when there is an absolute reduction in business and a reduction in percentage, and also when a producer cannot quickly and profitably shift from a product competitive with imports to one not so competitive. Such a standard has in fact been applied under the fixing of the tariff rates, and can readily be applied in the future under the escape clauses.

So at this stage Congress should certainly renew the Reciprocal Trade Agreements Act without change. Nothing could damage our interests more than a crippling of this policy as we put the Marshall plan into effect, which calls for just the principles of trade established under this act. Nothing could advance our interests more than a firm declaration of Congress in favor of these policies.

Mr. BARKLEY. I should like to place in the RECORD at this point a statement made only a few days ago by Gov. Thomas E. Dewey, of New York, an outstanding candidate for the Republican nomination for President, in which he endorsed the 3-year extension without limitation of the Tariff Agreements Act.

There being no objection, the statement was ordered to be printed in the **RECORD**, as follows:

I favored the reciprocal trade treaties from the very beginning. I favor their extension now for the full 3 years and I believe that with a Republican administration we could avoid the abuses that have caused so much criticism. I am entirely confident that these policies are sound, they are necessary for the development of trade; trade is the route by which peace is brought about and it is of great importance.

Mr. BARKLEY. I should like to include also as a part of my remarks a similar statement on the part of Governor Stassen in favor of the 3-year extension of the Trade Agreements Act, without crippling amendments.

There being no objection, the statement was ordered to be printed in the **RECORD**, as follows:

During this interim period, while the discussions of our future trade policies proceed within the Republican Party, leading to a decision in the platform of 1948, it is of grave importance that we do not obstruct the existing trade program, while we share the responsibility of our national administration, with Republican majorities in the Senate and the House, and an opposition party President and executive branch.

Mr. BARKLEY. I hope, Mr. President, that the 3-year extension may be granted. If we cannot get that, I hope we can get at least one more year without a hobble, without a blind bridle upon the President of the United States to prevent his acting in behalf of this great program in line with all our professions and all the enactments on this subject by the Congress of the United States.

The **PRESIDENT** pro tempore. The time of the Senator from Kentucky has expired.

Mr. MILLIKIN. Mr. President, I have sent to the desk, and there will be called up in due order, four amendments, one of which has the purpose of extending the act from June 12, 1948, until June 30, 1949, so that there will be no hiatus due to the delay of Congress in extending the act. I assume that that will meet with the general approval of the Senate.

There is another amendment which is responsive to the suggestion made by the distinguished Senator from Georgia [Mr. **GEORGE**], under an interpretation which he made of the bill and the amendments reported by the committee, that the Tariff Commission in connection with future agreements with countries with which we do not now have agreements might have to consider all the items which had been considered in connection with the Geneva agreements. The amendment will simply limit the Tariff Commission's consideration to those items directly concerned between the United States and nations with which we may in the future make trade agreements. As has been pointed out a number of times today, there are no important treaties remaining to be consummated, and the State Department has no present plan of opening negotiations with any country.

There has been sent to the desk an amendment offered by myself, at the suggestion of the Senator from Vermont [Mr. **FLANDERS**] and the Senator from New Jersey [Mr. **SMITH**], which changes

the words "domestic producers," which met with some objection, to read "the domestic industry producing like or similar articles." I assume that that amendment will be generally acceptable.

The fourth amendment which has been sent to the desk was inspired by an objection made by the Senator from New York [Mr. **IVES**]. The purpose of the amendment is to give the Tariff Commission 120 days from the time it receives the list of articles which it shall investigate and on which it shall report, within which to conclude its report. If it does not conclude its report within that time the President is free to go ahead and do as he pleases, without the report.

In this connection, Mr. President, the argument has been made several times today that the Tariff Commission might have a tie vote. If the Tariff Commission has a tie vote and does not report in time, the President will be able to do as he pleases without the aid of such report. So there is no possible constriction of the President's power under the tie-vote theory.

It has been suggested that we are marching down the hill in this matter. There has not been one argument made today which substantiates that claim. The President retains every power he has at the present time. Not a particle of power would be taken away from him. He can accept or reject the recommendations which are made to him. If he rejects them, he only has the burden of making an explanation. It is to be assumed that since the test is his own, he will not reject the recommendations unless he is able to make an explanation that will meet with general approval.

It has been suggested that many businessmen have been complaining when they have not been hurt. The distinguished Senator from Maine [Mr. **BREWSTER**] has pointed out that we now have our tariff levels to a point where, if we make a further substantial reduction, we reach the level of free trade. Many wise men believe that under the reductions which have already been made, we might find ourselves in a similar situation to that in which we found ourselves after World War I, when the productive facilities of the world were restored and the world came into a surplus position, as it will again, and the markets of this country were demoralized by dumping, and tariff legislation was necessary.

Those persons who are complaining about injury have a most substantial reason for it. Mr. Clayton reaffirmed again and again at the hearings that they are taking calculated risks in making cuts and concessions. He said, in effect, "You have to look to the escape clause for your protection against injury."

Let us see what the escape clause provides. The escape clause sets up four conditions for taking an escape. They are all in the Geneva agreement. First, that there has been an increase in the quantity of imports. Secondly—please mark this one—that this increase has been the result of unforeseen conditions obviously, if calculated risks are taken—

and Mr. Clayton emphasized again and again that they are being taken—the injury has been foreseen and there is no ground for escape.

It has been said that it is important to bring in the remaining countries. I should like to see them brought in; there is no reason why they cannot be brought in; but the State Department did not think so. It has no definite plans at this time, for bringing them in. It did not even invite those countries to Geneva. They did not invite themselves to Geneva, and their proportion of world trade is entirely unsubstantial.

The testimony showed that the Tariff Commission could take whatever work was required entirely in stride.

It has been said that if we pass this bill with its amendments we are doing nothing if we rely on the Tariff Commission. On the contrary, the Tariff Commission prepared and presented more than 1,400 digests, touching more than 3,000 articles, in which we were directly interested in the Geneva multilateral agreement. Yet it is said that the Commission cannot handle this infinitesimal work which might be connected with agreements which may be made in the future but for which there are no plans.

It has been suggested that the Tariff Commission may come to a tie vote. I have already replied to that. If the Tariff Commission becomes tied, there is no report, and the President can do as he pleases. Those who are opposing this mild restriction which is being placed on the President certainly can have no substantial objection to that.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. Under the close limit of time upon me I cannot yield. I am sorry.

It has been said that we go back to the Smoot-Hawley Act and to the cost-of-production theory. The bill and the amendments before the Senate specifically provide that any increase or any decrease within the limits of 50 percent up or down must be taken from the rates in effect on January 1, 1945, just as provided in our last extension.

The cost of production suggestion was gone into fully this morning. The existing regulations prescribing criteria under which the Tariff Commission operates when it is attempting to find out whether there has been injury, include the cost of production, competitive factors, percentages of imports, effects on particular areas of the country, and so forth. The Tariff Commission said explicitly that it has no fixed standard, but that it will consider anything that is pertinent to the problem. It must move, because it has to do its job, under the amendment, in 120 days.

The **PRESIDENT** pro tempore. The Senator has a half minute remaining.

Mr. MILLIKIN. Mr. President, it is said that the Tariff Commission fixes the peril points without consideration of such matters as national defense. This bill and the amendments do not preclude the President from giving any weight of his own choosing to the recommendations of the military or of anyone in this country on the question of national defense

or on any other question that would be pertinent in considering whether to make a trade agreement.

The PRESIDENT pro tempore. The Senator's time has expired. All time under the agreement has expired.

Mr. WHERRY and Mr. BARKLEY addressed the Chair.

The PRESIDENT pro tempore. The Senator from Nebraska.

Mr. WHERRY. I was about to suggest the absence of a quorum.

Mr. BARKLEY. I wish to offer an amendment to the committee amendment.

The PRESIDENT pro tempore. The amendment submitted by the Senator from Kentucky will be received and will lie on the table until the appropriate time to consider it.

The absence of a quorum is suggested, and the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Myers
Baldwin	Hawkes	O'Connor
Ball	Hayden	O'Daniel
Barkley	Hickenlooper	O'Mahoney
Brewster	Hill	Pepper
Bricker	Hoey	Reed
Bridges	Holland	Revercomb
Brooks	Ives	Robertson, Va.
Buck	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Cain	Kern	Smith
Capehart	Kilgore	Sparkman
Capper	Knowland	Stennis
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Donnell	McCarthy	Thye
Downey	McClellan	Tobey
Dworshak	McFarland	Tydings
Eastland	McGrath	Umstead
Eaton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Feazel	Magnuson	Wherry
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Millikin	Williams
Green	Morse	Wilson
Gurney	Murray	Young

The PRESIDENT pro tempore. Ninety Senators having answered to their names, a quorum is present.

Mr. MILLIKIN. Mr. President, I ask that the four amendments which I have submitted be first considered.

The PRESIDENT pro tempore. The clerk will state the first amendment submitted by the Senator from Colorado, the Chairman of the Committee on Finance.

The CHIEF CLERK. On page 7, line 6, after the word "extended", it is proposed to insert "from June 12, 1948."

Mr. BARKLEY. Mr. President, I should like to propound a parliamentary inquiry. I have sent to the desk an amendment proposing a 3-year extension, from the 12th of June 1948, and to strike out the remainder of the committee amendment. Is it in order to offer the amendment in that form? The committee amendment is one amendment, although it deals with two sections. It strikes out all after the enacting clause and inserts one amendment.

The PRESIDENT pro tempore. The situation seems to be rather complicated and involved. The amendment offered by the Senator from Kentucky is in the nature of a complete substitute for the

committee amendment. In the opinion of the Chair, the committee amendment should be perfected first, then the Senator's amendment in the nature of a substitute will be in order.

Mr. BARKLEY. If that is the ruling of the Chair, I modify the amendment by eliminating that part which strikes out the remainder of the committee amendment, and limit it to the change in the period for the extension as carried in section 2.

The PRESIDENT pro tempore. The Chair understands the Senator is now confining his amendment to a change in the date. The Chair asks the Senator to indicate how he wants his amendment to read.

Mr. BARKLEY. Mr. President, I do not wish to question the propriety of the Chair's ruling, but I call the attention of the Chair to the fact that the Committee on Finance proposed to strike out all after the enacting clause of the House bill, and brought in a single amendment consisting of two paragraphs. It occurred to me that it would be regarded as a single amendment to the House bill.

The PRESIDENT pro tempore. It is.

Mr. BARKLEY. Therefore that I could offer an amendment changing both the sections of the single committee amendment, so as to change the date or the length of the extension in the first amendment and then eliminate all the remainder of it. Though it would sound like a substitute, it is not altogether and precisely a substitute. It is an amendment to a single committee amendment which is before the Senate.

The PRESIDENT pro tempore. The Chair thinks the Senator is correct in his characterization, but it is in the nature of a substitute, and it seems to the Chair that the orderly process would be to perfect the committee amendment first.

Mr. BARKLEY. That is what I am trying to do by eliminating most of it. [Laughter.]

The PRESIDENT pro tempore. What does the Senator from Kentucky wish further to inquire?

Mr. BARKLEY. If the Chair insists on this ruling that I can only perfect one section of the single amendment at a time, then I offer the amendment which I sent to the desk minus that part of it which I wrote below the printed part, the effect of which is to extend the Trade Agreements Act, without any change in the procedure, for a period of 3 years.

The PRESIDENT pro tempore. The Senator is offering the amendment as an amendment to the amendment offered by the Senator from Colorado. Is that the Senator's purpose?

Mr. BARKLEY. Yes.

The PRESIDENT pro tempore. The Chair thinks the Senator can do that.

Mr. BARKLEY. On the amendment to the amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDENT pro tempore. Let the Chair state precisely what the situation is. The amendment of the Senator from Kentucky is an amendment to the amendment of the Senator from Colorado. The net effect of the amendment of the Senator from Kentucky is

to extend the date for 3 years. The Chair thinks he has correctly stated the import of the pending amendment.

Mr. BARKLEY. My amendment extends the date from that contained in the bill, June 30, 1949, to June 30, 1951.

Mr. MILLIKIN. I invite the Chair's attention to the fact that the amendment we are now considering merely covers the hiatus between June 12 and the time the bill will become law.

Mr. BARKLEY. Oh, no; Mr. President. The only change proposed by the amendment is to extend for 3 years instead of 1 year the trade agreements carried in section 2 of the bill.

The PRESIDENT pro tempore. The pending amendment is not the one which extends the agreements for 1 year. The pending amendment is the amendment which covers the interim period to the end of the fiscal year.

Mr. MILLIKIN. Precisely.

The PRESIDENT pro tempore. The Chair thinks the Senator from Kentucky would probably wish to offer his amendment to the 1-year period provision in the committee amendment.

Mr. BARKLEY. That is correct.

The PRESIDENT pro tempore. But that is not the pending amendment.

Mr. BARKLEY. I thought that was the proposal in section 2 of the committee amendment.

Mr. MILLIKIN. The amendment which the Senator from Colorado had proposed in section 2, is on page 7, line 6, after the word "extended" to insert "from June 12, 1948," the effect of which is to cover the hiatus.

The PRESIDENT pro tempore. In other words, it is to maintain continuity. It is purely a perfecting amendment.

Mr. BARKLEY. I have no desire to interfere with the hiatus.

The PRESIDENT pro tempore. Does the Senator from Kentucky temporarily withdraw his amendment?

Mr. BARKLEY. Yes, I withdraw my amendment temporarily.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Colorado to the committee amendment, on page 7, line 6, after the word "extended", to insert "from June 12, 1948."

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment offered by the Senator from Colorado.

The CHIEF CLERK. In the committee amendment on page 7, beginning in line 13, it is proposed to strike out "with respect to which it is contemplated that such agreement may provide for," and in lieu thereof insert "to be considered for possible."

Mr. BARKLEY. Mr. President, that is not the amendment I have offered.

The PRESIDENT pro tempore. This is an amendment offered by the Senator from Colorado to perfect the text of the committee amendment.

Mr. BARKLEY. I beg the Chair's pardon.

The PRESIDENT pro tempore. The Chair will recognize the Senator from Kentucky as soon as the Chair thinks his amendment is in order.

Mr. BARKLEY. I have no doubt of that. I thought we had come to consideration of the amendment I offered.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Colorado to the committee amendment, on page 7, line 13.

The amendment to the amendment was agreed to.

Mr. MILLIKIN. Mr. President, I now call up my third amendment and ask to have it stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 7, line 23, it is proposed to strike out "domestic producers of" and insert in lieu thereof "the domestic industry producing."

On page 8, line 1, it is proposed to strike out "domestic producers of" and insert in lieu thereof "the domestic industry producing."

On page 9, line 17, it is proposed to strike out "domestic producers of" and insert in lieu thereof "the domestic industry producing."

The PRESIDENT pro tempore. Without objection, the amendments will be considered en bloc. The question is on agreeing to the amendments offered by the Senator from Colorado to the committee amendment.

The amendments to the amendment were agreed to en bloc.

Mr. MILLIKIN. I now call up my fourth amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 8 of the committee amendment, between lines 2 and 3, it is proposed to insert the following: "such report shall be made by the Commission to the President not later than 120 days after the receipt of such list by the Commission"; and on page 8 of the committee amendment, line 4, it is proposed to strike out "President" and insert "President or until the expiration of the 120-day period."

The PRESIDENT pro tempore. The question is on agreeing to the amendments offered by the Senator from Colorado to the committee amendment.

The amendments to the committee amendment were agreed to.

The PRESIDENT pro tempore. The Chair now recognizes the Senator from Kentucky. If the Chair correctly understands his purpose it is on page 7, line 7 of the committee amendment, to strike out "1949" and insert "1951."

Mr. BARKLEY. The Chair is correct.

The PRESIDENT pro tempore. On this amendment the yeas and nays have been ordered.

Mr. MILLIKIN. May we have the amendment stated, Mr. President?

The PRESIDENT pro tempore. The amendment offered by the Senator from Kentucky is on page 7 of the committee amendment, line 7, to strike out "1949" and insert "1951." If the Chairman may interpolate, the issue is whether the Trade Agreements Act shall be extended for 3 years.

Mr. BARKLEY. Without amendment. The PRESIDENT pro tempore. Without amendment; which will be taken care of in a subsequent action by the Senator from Kentucky.

The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. TAFT (when his name was called). On this question I have a pair with the senior Senator from Georgia [Mr. GEORGE]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent and is paired with the Senator from South Carolina [Mr. MAYBANK]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from South Carolina would vote "yea."

The Senator from Oklahoma [Mr. MOORE] is necessarily absent.

Mr. LUCAS. I announce that the Senator from Georgia [Mr. GEORGE] is absent because of a death in his family.

The Senator from South Carolina [Mr. MAYBANK] is absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a national delegate by the President to the annual conference of the International Labor Organization, meeting in San Francisco, Calif.

On this vote the Senator from South Carolina [Mr. MAYBANK] is paired with the Senator from South Dakota [Mr. BUSHFIELD]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from South Dakota would vote "nay."

I announce further that if present and voting the Senator from New York [Mr. WAGNER] and the Senator from Utah [Mr. THOMAS] would vote "yea."

The result was announced—yeas 41, nays 48, as follows:

YEAS—41

Earkley	Holland	O'Connor
Byrd	Johnson, Colo.	O'Mahoney
Chavez	Johnston, S. C.	Pepper
Connally	Kilgore	Robertson, Va.
Downey	Lucas	Russell
Eastland	McCarran	Sparkman
Ellender	McClellan	Stennis
Feazel	McFarland	Stewart
Fulbright	McGrath	Taylor
Green	McKellar	Thomas, Okla.
Hatch	McMahon	Tobey
Hayden	Magnuson	Tydings
Hill	Murray	Umstead
Hoey	Myers	

NAYS—48

Aiken	Eaton	Morse
Baldwin	Ferguson	O'Daniel
Ball	Flanders	Reed
Brewster	Gurney	Revercomb
Bricker	Hawkes	Robertson, Wyo.
Bridges	Hickenlooper	Saltonstall
Brooks	Ives	Smith
Buck	Jenner	Thye
Butler	Kem	Vandenberg
Cain	Knowland	Watkins
Capehart	Langer	Wherry
Capper	Lodge	White
Cooper	McCarthy	Wiley
Cordon	Malone	Williams
Donnell	Martin	Wilson
Dworshak	Millikin	Young

NOT VOTING—7

Bushfield	Moore	Wagner
George	Taft	
Maybank	Thomas, Utah	

So Mr. BARKLEY's amendment was rejected.

Mr. BARKLEY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Kentucky will be stated.

The CHIEF CLERK. On page 7, line 7, after "June 30," it is proposed to strike out "1949" and insert "1950."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky.

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. TAFT (when his name was called). On this question I have a pair with the senior Senator from Georgia [Mr. GEORGE]. If he were present and voting he would vote "yea." If I were at liberty to vote, I would vote "nay."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent, and is paired with the Senator from South Carolina [Mr. MAYBANK]. If present and voting, the Senator from South Dakota would vote "nay" and the Senator from South Carolina would vote "yea."

The Senator from Oklahoma [Mr. MOORE] is necessarily absent.

Mr. LUCAS. I announce that the Senator from Georgia [Mr. GEORGE] is absent because of a death in his family.

The Senator from South Carolina [Mr. MAYBANK] is absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a national delegate by the President to the annual conference of the International Labor Organization, meeting in San Francisco, Calif.

On this vote the Senator from South Carolina [Mr. MAYBANK] is paired with the Senator from South Dakota [Mr. BUSHFIELD]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from South Dakota would vote "nay."

I announce further that if present and voting, the Senator from New York [Mr. WAGNER] and the Senator from Utah [Mr. THOMAS] would vote "yea."

The result was announced—yeas 42, nays 47, as follows:

YEAS—42

Barkley	Hoey	Myers
Byrd	Holland	O'Connor
Chavez	Johnson, Colo.	O'Mahoney
Connally	Johnston, S. C.	Pepper
Cooper	Kilgore	Robertson, Va.
Downey	Lucas	Russell
Eastland	McCarran	Sparkman
Ellender	McClellan	Stennis
Feazel	McFarland	Stewart
Fulbright	McGrath	Taylor
Green	McKellar	Thomas, Okla.
Hatch	McMahon	Tobey
Hayden	Magnuson	Tydings
Hill	Murray	Umstead

NAYS—47

Aiken	Ferguson	O'Daniel
Baldwin	Flanders	Reed
Ball	Gurney	Revercomb
Brewster	Hawkes	Robertson, Wyo.
Bricker	Hickenlooper	Saltonstall
Bridges	Ives	Smith
Brooks	Jenner	Thye
Buck	Kem	Vandenberg
Butler	Knowland	Watkins
Cain	Langer	Wherry
Capehart	Lodge	White
Capper	McCarthy	Wiley
Cordon	Malone	Williams
Donnell	Martin	Wilson
Dworshak	Millikin	Young
Ecton	Morse	

NOT VOTING—7

Bushfield	Moore	Wagner
George	Taft	
Maybank	Thomas, Utah	

So Mr. BARKLEY's amendment was rejected.

Mr. BARKLEY. Mr. President, I now desire to offer an amendment, the effect of which will be to extend the Trade Agreements Act for 1 year, without change. In order to do so, I move to strike out all the remainder of the committee amendment beginning in line 8, on page 7, with section 3.

The PRESIDENT pro tempore. The Senator from Kentucky moves to strike out all the committee amendment after line 7, on page 7, the effect of which, as indicated by the Senator from Kentucky, is to extend the act without amendment for 1 year.

Mr. BARKLEY. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. TAFT (when his name was called). Mr. President, I make the same announcement as the one I have made on the two previous votes.

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent, and is paired with the Senator from South Carolina [Mr. MAYBANK]. If present and voting, the Senator from South Dakota would vote "nay" and the Senator from South Carolina would vote "yea."

The Senator from Oklahoma [Mr. MOORE] is necessarily absent.

Mr. LUCAS. The Senator from Georgia [Mr. GEORGE] is absent because of a death in his family.

I announce that the Senator from South Carolina [Mr. MAYBANK] is absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a national delegate by the President to the annual conference of the International Labor Organization, meeting in San Francisco, Calif.

On this vote the Senator from South Carolina [Mr. MAYBANK] is paired with the Senator from South Dakota [Mr. BUSHFIELD]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from South Dakota would vote "nay."

I announce further that if present and voting the Senator from New York [Mr. WAGNER] and the Senator from Utah [Mr. THOMAS] would vote "yea."

The result was announced—yeas 43, nays 46, as follows:

YEAS—43

Barkley	Holland	O'Mahoney
Byrd	Johnson, Colo.	Pepper
Chavez	Johnston, S. C.	Robertson, Va.
Connally	Kilgore	Russell
Cooper	Lucas	Sparkman
Downey	McCarran	Stennis
Eastland	McClellan	Stewart
Ellender	McFarland	Taylor
Feazel	McGrath	Thomas, Okla.
Fulbright	McKellar	Tobey
Green	McMahon	Tydings
Hatch	Magnuson	Umstead
Hayden	Murray	Wilson
Hill	Myers	
Hoey	O'Connor	

NAYS—46

Aiken	Ferguson	O'Daniel
Baldwin	Flanders	Reed
Ball	Gurney	Revercomb
Brewster	Hawkes	Robertson, Wyo.
Bricker	Hickenlooper	Saltonstall
Bridges	Ives	Smith
Brooks	Jenner	Thye
Buck	Kem	Vandenberg
Butler	Knowland	Watkins
Cain	Langer	Wherry
Capehart	Lodge	White
Capper	McCarthy	Wiley
Cordon	Malone	Williams
Donnell	Martin	Young
Dworshak	Millikin	
Ecton	Morse	

NOT VOTING—7

Bushfield	Moore	Wagner
George	Taft	
Maybank	Thomas, Utah	

So Mr. BARKLEY's amendment was rejected.

The PRESIDENT pro tempore. The committee amendment is open to further amendment.

If there be no further amendment, the question is on the adoption of the committee amendment as amended.

The committee amendment as amended was agreed to.

The PRESIDENT pro tempore. The question now is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

Mr. WHERRY, Mr. BARKLEY, Mr. LUCAS, and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. TAFT (when his name was called). On this vote, I have a pair with the senior Senator from Georgia [Mr. GEORGE]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea."

Mr. TYDINGS (when his name was called). Present.

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent, and is paired with the Senator from South Carolina [Mr. MAYBANK]. If present and voting, the Senator from South Dakota would vote "yea" and the Senator from South Carolina would vote "nay."

The Senator from Oklahoma [Mr. MOORE] is necessarily absent.

Mr. LUCAS. The Senator from Georgia [Mr. GEORGE] is absent because of a death in his family.

I announce that the Senator from South Carolina [Mr. MAYBANK] is absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a national delegate by the President to the annual conference of the International Labor Organization, meeting in San Francisco, Calif.

On this vote the Senator from South Carolina [Mr. MAYBANK] is paired with the Senator from South Dakota [Mr. BUSHFIELD]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from South Dakota would vote "yea."

The result was announced—yeas 70, nays 18, voting "present" 1, as follows:

YEAS—70

Aiken	Hickenlooper	O'Mahoney
Baldwin	Hill	Pepper
Ball	Hoey	Reed
Brewster	Holland	Revercomb
Bricker	Ives	Robertson, Va.
Bridges	Jenner	Robertson, Wyo.
Brooks	Johnson, Colo.	Russell
Buck	Kem	Saltonstall
Butler	Knowland	Smith
Byrd	Langer	Sparkman
Cain	Lodge	Stewart
Capehart	McCarthy	Thye
Capper	McClellan	Tobey
Cordon	McFarland	Umstead
Donnell	McGrath	Vandenberg
Dworshak	McMahon	Watkins
Eastland	Magnuson	Wherry
Ecton	Malone	White
Ellender	Martin	Wiley
Feazel	Millikin	Williams
Ferguson	Morse	Wilson
Flanders	Murray	Young
Gurney	Myers	
Hawkes	O'Connor	

NAYS—18

Barkley	Green	McCarran
Chavez	Hatch	McKellar
Connally	Hayden	O'Daniel
Cooper	Johnston, S. C.	Stennis
Downey	Kilgore	Taylor
Fulbright	Lucas	Thomas, Okla.

VOTING "PRESENT"—1

Tydings

NOT VOTING—7

Bushfield	Moore	Wagner
George	Taft	
Maybank	Thomas, Utah	

So the bill (H. R. 6556) was passed.

Mr. MILLIKIN. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. MILLIKIN, Mr. TAFT, Mr. BUTLER, Mr. BARKLEY, and Mr. CONNALLY conferees on the part of the Senate.

Mr. HATCH subsequently said: Mr. President, during the course of the debate on the Reciprocal Trade Agreements program bill, due to the limitation of time I was not able to express my views on that matter and the reasons why I voted as I did. I shall not take the time of the Senate now to refer to that matter further, except to ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, an editorial entitled "Indispensable," pub-

lished in the Washington Daily News for May 29, 1948.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INDISPENSABLE

"The reciprocal trade agreement principle," says Senator VANDENBERG, "is indispensable in today's world." He is absolutely right about that.

He wants this principle "preserved unweakened." And so he opposes one provision of the bill just passed by the House Republicans to extend the Reciprocal Trade Agreements Act for a single year. That is the one which would give the Tariff Commission and Congress power to veto agreements negotiated by the President with other countries for the lowering of barriers to international trade.

Mr. VANDENBERG would have preferred an extension of 3 years, or at least 2. But he does not believe the indispensable principle is endangered by the 1-year renewal or by other provisions of the House bill.

We respect the judgment and sincerity of this Republican statesman. If he were speaking for his party, we would have little fear for the safety of reciprocal trade and the European recovery program, of which it is a cornerstone.

But we do not share his confidence that changing one provision of the House bill would mean "unweakened" preservation of the principle he defends.

For we have seen this bill railroaded through the House, after secret hearings and under gag rule, by Republican leaders who have been for that principle. We know that they inserted the provision to which Mr. VANDENBERG objects for the deliberate purpose of weakening. We know that their hope and intention is to kill the Reciprocal Trade Act next year, and to return to the old trade-choking system of log-rolled high tariffs. And we know they have many counterparts in the Senate.

To change Mr. VANDENBERG advocates would make the bill less immediately dangerous. But enactment of the bill, even with that change would be a first long step back toward economic isolation for America. It would be a signal that leaders of the Republican Party mean to take the other steps—to drop the indispensable principle—and the rest of the world would so understand it.

The Reciprocal Trade Agreements Act should be extended, with no weakening amendments, for three full years.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 203) providing for the ratification by Congress of a contract for the purchase of certain lands and mineral deposits by the United States from the Choctaw and Chickasaw Nations of Indians.

The message also announced that the House had passed the bill (S. 2825) to increase the rates of service-connected death compensation payable to certain widows, children, and dependent parents of persons who served in the active military or naval service, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 2821) to provide increases of compensation for certain veterans with service-connected disabilities who have dependents, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 2744) to provide for the elimination of Regular Army and Regular Air Force officers and for the retirement of officers, warrant officers, and enlisted men of the Regular Army and the Regular Air Force, and to provide retirement benefits for members of the Reserve components of the Army of the United States, the Air Force of the United States, United States Navy and Marine Corps, and Coast Guard.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6028) to authorize appropriations for the Bureau of Reclamation for payments to school districts on certain projects during their construction status.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 6777. An act to extend the coverage of the Old-Age and Survivors Insurance system, to increase certain benefits payable under such system, and for other purposes;

H. R. 6874. An act to amend the act entitled "An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes," approved July 7, 1947;

H. R. 6878. An act to authorize granting increases in the salary rates of teachers, school officers, and other employees of the Board of Education of the District of Columbia whose salary is fixed and regulated by the District of Columbia Teachers' Salary Act of 1947;

H. J. Res. 412. Joint resolution to amend the Merchant Marine Act, 1936, as amended, to strengthen the American merchant marine, to encourage investment in the American merchant marine to build more ships, and to remove inequities;

H. J. Res. 413. Joint resolution to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes; and

H. J. Res. 421. Joint resolution to authorize and direct the Commissioners of the District of Columbia to investigate and study certain matters relating to parking lots in the District of Columbia.

COMMITTEE TO ATTEND EMPIRE PARLIAMENTARY ASSOCIATION IN BERMUDA

The PRESIDENT pro tempore. Pursuant to House Concurrent Resolution 201, the Chair appoints the Senator from Wisconsin [Mr. WILEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kentucky [Mr. BARKLEY], the Senator from Utah [Mr. THOMAS] the committee on the part of the Senate to attend the meeting of the Empire Parliamentary Association in Bermuda.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS

The PRESIDENT pro tempore laid before the Senate the following communications, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, OFFICE OF DEFENSE TRANSPORTATION (S. Doc. No. 171)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the

Office of Defense Transportation, amounting to \$190,000 fiscal year 1949 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF COMMERCE (S. Doc. No. 172)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Department of Commerce, amounting to \$14,135,000, fiscal year 1949 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF THE INTERIOR (S. Doc. No. 173)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, Bureau of Reclamation, amounting to \$600,000, fiscal year 1949 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF AGRICULTURE (S. Doc. No. 174)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Department of Agriculture, amounting to \$10,792,000, fiscal year 1949 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL AND DEFICIENCY ESTIMATES OF APPROPRIATION, DISTRICT OF COLUMBIA (S. Doc. No. 178)

A communication from the President of the United States, transmitting supplemental and deficiency estimates of appropriation for the District of Columbia, amounting to \$21,957.39, fiscal year 1948 and prior fiscal years (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, SELECTIVE SERVICE SYSTEM (S. Doc. No. 175)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1949 in the amount of \$31,800,000, to finance the selective service program to be established by legislation now pending in the Congress (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, FEDERAL WORKS AGENCY (S. Doc. No. 176)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Works Agency, amounting to \$15,000,000, fiscal year 1949, and a proposed contract authorization in the amount of \$10,000,000 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, SEVERAL EXECUTIVE DEPARTMENTS AND INDEPENDENT OFFICES (S. Doc. No. 177)

A communication from the President of the United States, transmitting an estimate of appropriation for the several executive departments and independent offices to pay claims for damages, audited claims, and judgments rendered against the United States, as provided by various laws, in the amount of \$2,393,458.55, together with an indefinite amount as may be necessary to pay interest and costs (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A letter in the nature of a petition from Laura B. Prisk, of New York, N. Y., relating

to Flag Day; to the Committee on the Judiciary.

A telegram in the nature of a petition from Walter I. M. Hodge, chairman, Municipal Committee, St. Croix, V. I., praying for the enactment of House bill 5904, to incorporate the Virgin Islands Corporation; ordered to lie on the table.

A resolution adopted by the forty-second annual convention of the Maryland State and District of Columbia Federation of Labor, at Washington, D. C., protesting against the enactment of the Mundt-Nixon un-American activities bill; to the Committee on the Judiciary.

A memorial of sundry citizens of the State of Washington, remonstrating against the enactment of the so-called Mundt-Nixon un-American activities bill; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BUTLER, from the Committee on Interior and Insular Affairs:

S. 2080. A bill to provide for the establishment of the Philadelphia National Historical Park, and for other purposes; with amendments (Rept. No. 1622); and

H. R. 6090. A bill authorizing the Secretary of the Interior to issue patents for lands held under color of title; without amendment (Rept. No. 1618).

By Mr. WILEY, from the Committee on the Judiciary:

H. R. 3190. A bill to revise, codify, and enact into positive law, title 18 of the United States Code, entitled "Crimes and Criminal Procedure;" with amendments (Rept. No. 1620); and

H. R. 6412. A bill to codify and enact into law title 3 of the United States Code, entitled "The President"; without amendment (Rept. No. 1623).

By Mr. COOPER, from the Committee on the Judiciary:

S. 2764. A bill to amend the Trading With the Enemy Act; without amendment (Rept. No. 1619).

By Mr. SALTONSTALL, from the Committee on Appropriations:

H. R. 6772. A bill making appropriations for the Department of the Navy and the naval service for the fiscal year ending June 30, 1949, and for other purposes; with amendments (Rept. No. 1621).

By Mr. BYRD, from the Committee on Armed Services:

S. 2698. A bill to authorize the transfer of horses and equipment owned by the United States Army to the New Mexico Military Institute, a State institution; with amendments (Rept. No. 1624).

PROTECTION AGAINST LYNCHING—REPORT OF A COMMITTEE

Mr. FERGUSON. Mr. President, from the Committee on the Judiciary, I ask unanimous consent to report an original bill, to provide for the better assurance of the protection of persons within the several States from lynching, and for other purposes, and I submit a report (No. 1625) thereon. The report is short, and I request that it be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill and the report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed in the RECORD.

The bill (S. 2860) to provide for the better assurance of the protection of persons within the several States from lynching, and for other purposes, was re-

ceived, read twice by its title, and ordered to be placed on the calendar.

The report was ordered to be printed in the RECORD, as follows:

The Committee on the Judiciary, which has had under consideration various bills relating to the protection of persons within the several States from lynching, report favorably a bill to provide for the better assurance of the protection of persons within the several States from lynching, and for other purposes, with the recommendation that the bill do pass.

The purpose of the bill is self-explanatory in the title statement in that it is designed to provide for the better assurance of the protection of persons from lynching.

STATEMENT

Section 1 of the bill is self-explanatory.

Section 2 of the bill, which contains the definitions, might be considered one of the most important parts of the measure.

The bill defines lynching as an exercise or an attempt to exercise by an assembly of two or more persons, without authority of law, by action of physical force against person or property, of any power of correction or punishment over any persons in the custody of any peace officer, or suspected of, charged with, or convicted of the commission of any criminal offense with the purpose or consequence of preventing the apprehension or trial or punishment by law of such person, or of imposing a punishment. The essence of the offense is the depriving of the person accused or suspected of crime of a trial in the manner provided by law and, if such person is convicted, of punishment in the manner provided by law.

Section 3 of the bill makes it a crime punishable by imprisonment and/or a fine for Federal or State officers to conspire with members of a lynching mob in the prosecution of a lynching. The constitutionality of the imposition of Federal sanctions against Federal or State officers for their participation in a lynching will not be discussed in this section. In a later paragraph it is pointed out that such sanctions are valid. The question here involves the validity of Federal sanctions imposed against members of the lynch mob when they conspire with the Federal or State officers. It seems to be well-settled law that any Federal sanctions against the individual lynchers (aiders, abettors, etc.) are invalid.

It appears well settled that under the fourteenth amendment to the Constitution, Congress does not have the authority to enact sanctions against private individuals or individual actions. (*The Civil Rights cases*, 109 U. S. 3; *U. S. v. Harris*, 106 U. S. 629; *Slaughterhouses cases*, 83 U. S. 36; *U. S. v. Cruikshank*, 92 U. S. 542; *Strauder v. West Virginia*, 100 U. S. 303; *Virginia v. Rives*, 100 U. S. 313; *Hodges v. U. S.*, 203 U. S. 1; *Corrigan v. Buckley*, 271 U. S. 327.)

It is the opinion of this committee that those individuals who conspire with Federal or State officers for the purposes of lynching may be held guilty of the crime or conspiracy when, in effect, they could not be held guilty of lynching. It is sufficient if one of the parties to a conspiracy is legally capable of committing the offense, while the other party may not have that capacity (*Chadwick v. U. S.* (141 F. 225); *Olsen v. U. S.* (157 F. 651, 85 C. C. A. 113, certiorari denied, 207 U. S. 596)). A person may be guilty of conspiring although incapable of committing the objective offense (*Farnsworth v. Zerbst* (98 F. 2d 541); *U. S. v. Rabinowick* (238 U. S. 78, 86); *U. S. v. Halte* (236 U. S. 140, 144); *Jelke v. U. S.* (255 F. 265); *Israel v. U. S.* (3 F. 2d 743); *U. S. v. Lyman* (190 F. 414); *U. S. v. Socony Vacuum Oil Company* (310 U. S. 150)).

Section 4 punishes State officers and employees for their failure to prevent a lynching. The fourteenth amendment is directed toward the action of the States, including the action of State officers. Any action by the officers of the State which violates the prohibition upon State action contained in the fourteenth amendment is subject to penalty imposed by the United States (*Ex Parte Virginia* (100 U. S. 339); *Screws v. U. S.* (325 U. S. 91)). The right not to be deprived by a State (or State officers) of a trial by the State, or of the punishment prescribed by law, is inherent in due process of law (*Screws v. U. S.*, supra; *Crews v. U. S.* (160 F. 2d. 746); *U. S. v. Classic* (313 U. S. 299)).

Section 5 of the bill penalizes Federal officers and employees for their willful failure to prevent a lynching. Congress has, many times, created penalties upon Federal officers for a violation of their duties. The creation of the sanction in itself creates a duty on a Federal officer not to commit acts which would invoke the imposition of the penalty. (See the offenses defined and punished in U. S. Code, title 18, secs. 171 et seq.)

Section 6 defines the duty of the Attorney General of the United States under this act. It imposes a duty upon him to cause an investigation to be made to determine whether there has been a violation of the bill, whenever a lynching occurs, and information on oath is submitted to him that any officer or employee of the United States or of a State, or any governmental subdivision thereof, is guilty of a criminal offense under section 4 or section 5 of the bill. This section merely spells out a duty which normally rests with the Attorney General, the chief law enforcement officer of the United States, to enforce, and prosecute violations of, all criminal laws of the United States. It is not intended to restrict the Attorney General in the enforcement of the act but to make it mandatory upon him to cause the investigation prescribed if the information on oath is submitted to him.

Section 7 provides for civil actions for damages by an individual who is lynched (or his next of kin) against any person violating section 3, section 4, or section 5 of the act with respect to that lynching.

The validity of this section rests upon the same constitutional bases and cases cited under the foregoing sections 3, 4, or 5. Obviously, if Congress has the authority to make certain acts a crime, punishable by fines and/or imprisonment, it also has the authority to constitute such acts the basis for civil liabilities.

Section 8 permits any judge of the United States district court, wherein any civil action under the proposed bill is commenced, to direct the holding of the trial at any place within the district. The section also permits a criminal trial, under the proposed bill, to be held at any place in the district and provides that where possible no criminal action shall be tried within the territorial limits of any city or county within which a lynching occurs. This provision does not violate the constitutional stipulation of the sixth amendment inasmuch as the trials will have to be conducted within the territorial limits of the State and district where the crime is committed.

Section 9 applies the kidnaping law to lynching. The so-called Lindbergh kidnaping law was a valid exercise of the power of Congress under the commerce clause. (See *Robinson v. U. S.*, 324 U. S. 282; *Seadlund v. U. S.*, 97 F. (2d) 742.) As it now reads, it provides a penalty for the transportation in interstate or foreign commerce of any person who has been kidnaped and is "held for purposes of ransom or reward or otherwise." It would seem that Congress can spell out that one of the meanings of "otherwise" is "held for purposes of lynching," or that

2. AGRICULTURAL APPROPRIATION BILL. Concurred in the Senate amendment 1, to strike out the provision regarding appointment of persons at salaries above the regular rates (p. 8479). This bill will now be sent to the President.
3. TRADE AGREEMENTS. Concurred in Senate amendment to H.R. 6556, to extend until June 30, 1949, the authority for entering into trade agreements (pp. 8404, 8416). This bill will now be sent to the President.
4. C.C.C. CHARTER. The Rules Committee reported a resolution for the consideration of H.R. 6263, the CCC charter bill (pp. 8479-80, 8484).
5. FEDERAL PAY BILL. The Post Office and Civil Service Committee reported without amendment H.R. 6917, to increase salaries of Federal and D.C. employees (H. Rept. 2358) (p. 8483).
The Rules Committee reported a resolution for the consideration of this bill, H.R. 6917 (pp. 8480, 8484).
Rep. Hays, Ark., inserted and discussed an amendment which he proposes to submit to this bill, H.R. 6917, to provide for salary increases based on publication of the Consumers Price Index of the Bureau of Labor Statistics (p. 8482).
6. FEDERAL SECURITY SUPPLEMENTAL APPROPRIATION BILL, 1949. Received the President's veto message on this bill, H.R. 6355 (H. Doc. 714) (p. 8481). The message states that the objection to the bill is based on the transfer of the U.S. Employment Service from the Labor Department to the Federal Security Agency.
7. FATS AND OILS. Received from this Department a proposal for a CCC project for the stimulation and increase of production of copra and palm oil in the Netherlands Indies (p. 8483).
8. STRATEGIC MATERIALS. Rep. Jensen, Iowa, urged the stockpiling of strategic materials (pp. 8406-7).
9. CREDIT UNIONS. Passed with amendment S. 2225, to transfer administration of the Federal Credit Union Act to the Federal Security Agency (pp. 8418-9).
10. INTERIOR APPROPRIATION BILL, 1949. Reps. Jensen, Fenton, Stockman, Schwabe (Okla.), Kirwan, Norrell, and Gore were appointed conferees on this bill, H.R. 6705 (p. 8420). Senate conferees were appointed June 14.
11. SELECTIVE SERVICE. Began debate on H.R. 6401, the selective-service bill (pp. 8419-26, 8427-78).
12. VETERANS' HOMESTEADS. Rep. Rogers, Mass., urged that action be taken on H.R. 4488, the Veterans' Homestead Act (p. 8482).
13. R.F.C. AUDIT. Received from GAO Vol. 8 of the RFC audit report (H. Doc. 713) (p. 8483).
14. FLOOD CONTROL. The Public Lands Committee reported without amendment S. 1639, authorizing the repair and rehabilitation of irrigation works damaged by flood and the prevention of flood damage in the Fort Sumner irrigation district (H. Rept. 2354) (p. 8483).
15. STRATEGIC MATERIALS. The Judiciary Committee reported with amendments H.R. 4928, to amend the Contract Settlement Act so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical materials in cases of failure to recover reasonable costs (H. Rept. 2357) (p. 8483).

16. COMMODITY EXCHANGE. The Administration Committee ordered reported, but did not actually report, H.Res. 674, providing \$10,000 additional for the Select Committee to Investigate Transactions on Commodity Exchanges (p. D659).
 17. FARM PROGRAM. The Administration Committee ordered reported, but did not actually report, H.Res. 696, providing \$5,000 for the Agriculture Committee to make studies and investigations into matters relating to agriculture (p.D659).
 18. LANDS. The Public Lands Committee ordered reported, but did not actually report H.R. 6697, to authorize the sale and grant to the city of Los Angeles, Calif., of certain interests in public lands, and repealing a certain act (p.D659).
The Public Lands Committee ordered reported, but did not actually report, S. 1243, to pay to Confederated Tribes of the Warm Springs Reservation revenues from certain lands, including lands which are a part of the Mt. Hood National Forest (p. D659).
 19. DISASTER LOANS. A Subcommittee of the Public Works Committee approved for reporting to the full committee, with amendments, H.R. 6855, to coordinate emergency activities of Federal agencies in disaster areas and to provide emergency aid (p. D659).
 20. BUILDINGS AND GROUNDS. A subcommittee of the Public Works Committee approved for reporting to the full committee, with amendments, S. 1955, to acquire sites in preparation for Federal buildings generally (p. D659).
- SENATE
21. RECLAMATION. Passed as reported S. 299, to extend the reclamation laws to Ark. (p. S493).
 22. FERTILIZER. Passed without amendment H. R. 5275, to provide for free importation of limestone for use in fertilizer manufacture (p. S495). This bill will now be sent to the President. As finally passed, it does not contain the baler-twine provision.
 23. FOOD AND DRUG ADMINISTRATION. Passed without amendment H. R. 4071, to amend the Federal Food, Drug, and Cosmetic Act so as to authorize enforcement of the Act in cases of adulteration or misbranding of goods held for resale, and seizure of such goods not only while in interstate commerce but while being held for sale (p. S496). This bill will now be sent to the President.
 24. VIRGIN ISLANDS. Passed as reported S. 1183, to incorporate the Virgin Islands Corp. (pp. S498-9).
 25. Bills passed over included: S. 669, wheat bonus (p. S492); S. Con. Res. 6, consolidated appropriation bill (p. S493); H. R. 3538, drainage investigations. (p. S494); S.J.Res. 162, prohibit Indian reservations in Alaska, etc. (p.S497).
 26. O&C LANDS. Passed as reported S. 580, to transfer certain O&C lands from the Forest Service to the Interior Department (pp. S494-5).



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WASHINGTON, TUESDAY, JUNE 15, 1948

No. 109

House of Representatives

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal Father, by whose power we live and by whose mercy we are spared, we thank Thee for the endless renewing of our daily blessings. Keep us this day without sin and free from the bondage of fear.

Bless richly our Speaker and all Members; grant that they may so serve that they may be models of rectitude, with every root of bitterness cast out and the good of all the goal of each. Help us to believe the best we know and the best our hearts have hoped for; hence we shall be delivered from haste and dismay. Keep us constant in our labors, just in our decisions, relating our vocations to the Divine One who taught as never man taught. O fill us with Thy spirit that we may be armed and guided in the path of the perfect day. In our Saviour's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 201. Concurrent resolution accepting the invitation to attend the meeting of the Empire Parliamentary Association in Bermuda; and

H. Con. Res. 204. Concurrent resolution authorizing the disposal of certain obsolete Government publications now stored in the folding rooms of the Congress.

The message also announced that the Senate, having proceeded to reconsider the joint resolution (H. J. Res. 296) entitled "Joint resolution to maintain the status quo in respect of certain employment taxes and social-security benefits pending action by Congress on extended social-security coverage," returned by the President of the United States, with his objections, to the House of Representatives, in which it originated, and passed

by the House of Representatives, on reconsideration of the same, it was—

Resolved, That the said joint resolution pass, two-thirds of the Senators present having voted in the affirmative.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6556. An act to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MILLIKIN, Mr. TAFT, Mr. BUTLER, Mr. BARKLEY, and Mr. CONNALLY to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6705. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1949, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WHERRY, Mr. GURNEY, Mr. BALL, Mr. CORDON, Mr. HAYDEN, Mr. THOMAS of Oklahoma, and Mr. O'MAHONEY to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 3735) entitled "An act to authorize and direct the Secretary of War to donate and convey to Okaloosa County, State of Florida, all the right, title, and interest of the United States in and to a portion of Santa Rosa Island, Fla., and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SALTONSTALL, Mr. MORSE, and Mr. BYRD to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 6419) entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. REVERCOMB, Mr. MALONE, Mr. MARTIN, Mr. McCLELLAN, and Mr. HOLLAND to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5883) entitled "An act making appropriations for the Department of Agriculture (exclusive of the Farm Credit Administration) for the fiscal year ending June 30, 1949, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 33 to the above-entitled bill; that the Senate further insists upon its amendment numbered 1 to said bill, disagreed to by the House, asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BROOKS, Mr. GURNEY, Mr. REED, Mr. BUSHFIELD, Mr. RUSSELL, Mr. HAYDEN, and Mr. TYDINGS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5524) entitled "An act making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1949, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6430) entitled "An act making appropriations for the government of the Dis-

strict of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1949, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendments of the Senate numbered 34 and 39 to the above-entitled bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2237) entitled "An act to increase certain benefits payable under the Longshoremen's and Harbor Workers' Compensation Act."

ORDER OF BUSINESS

The SPEAKER. The Chair will receive requests for extension of remarks but not for 1-minute speeches, owing to the fact that there is unfinished business which will be taken up immediately.

CALENDAR WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONSENT CALENDAR

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order tomorrow to call the Consent Calendar.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was granted permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. DONDERO asked and was granted permission to extend his remarks in the RECORD and include an address delivered by him on yesterday at Independence Hall, Philadelphia.

Mr. SEELY-BROWN asked and was granted permission to extend his remarks in the RECORD.

Mr. WOLVERTON asked and was granted permission to extend his remarks in the Appendix on the subject of Presidential veto of the Bulwinkle bill.

Mrs. ROGERS of Massachusetts asked and was granted permission to extend her remarks in the RECORD.

Mr. KNUTSON asked and was granted permission to extend his remarks in the RECORD.

Mr. BRADLEY asked and was granted permission to extend his remarks in the RECORD and include a bibliography of certain publications on the Panama Canal.

Mr. RAMEY asked and was granted permission to extend his remarks in the RECORD to follow the remarks by Mr. GRANT of Indiana.

Mr. GROSS asked and was granted permission to extend his remarks in the RECORD and include an article sent in by a mother, entitled "A Mother Speaks."

Mr. MACKINNON asked and was granted permission to extend his remarks in the RECORD in three instances, and to include extraneous material in two instances.

Mr. MULTER asked and was granted permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. DEANE asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. BUCHANAN asked and was granted permission to extend his remarks in the RECORD and include two editorials and an article.

Mr. COUDERT asked and was granted permission to extend his remarks in the RECORD and include a newspaper article.

Mr. BARTLETT asked and was granted permission to extend his remarks in the RECORD.

Mr. HART asked and was granted permission to extend his remarks in the RECORD and include a newspaper item and an editorial.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the Russell bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

WE MUST HAVE A STOCK PILE OF STRATEGIC MATERIALS

Mr. JENSEN. Mr. Speaker, I wish to rise in support of the Russell bill which provides for incentive payments for exploration and development of our domestic production of strategic materials.

First, I wish to discuss the legislation from the standpoint of national defense. In 1939 Congress passed a Stock Pile Act with the intent of building up a supply of strategic materials. When we were attacked by Japan at Pearl Harbor in 1941, we found that there was no stock pile because of the failure of the administration of the act to carry out the intent of Congress.

Our failure to have such a stock pile of strategic materials placed us in a precarious position and unquestionably resulted in extending the length of the war and the loss of more lives than would have been the case if these strategic materials had been ready for use.

We are facing a similar situation today. In 1946 Congress passed another Stock Pile Act known as Public Law 520. Two years later in 1948 we find that there is no stock pile and if war were to break out tomorrow, we would be in dire need of such materials. Administrative policies have permitted many mines to close and it would take months to reopen these mines for production.

During this session of Congress we have appropriated billions of dollars for European aid. We have appropriated billions of dollars for military purposes. We are again about to draft our young men for military service to protect the Nation in case of war.

All of these billions will be of no avail unless we in some way or other provide the metals which are provided for in this bill. We cannot produce steel without manganese. We cannot produce the

necessary types of steel alloys without many of the metals listed in this legislation. We need them all in either peace or war.

In case of war the only safe source of supply is mines within the United States. Submarines can block imports. Revolutions in other nations, strikes and embargoes can shut off supplies from other nations. We cannot risk the welfare of the United States in depending upon ores from nations that lie across thousands of miles of sea lanes.

I maintain that if we can spend \$20,000,000,000 for European aid and military purposes that it would be the height of folly to neglect the very production of the materials which are required. I realize full well that the policies of this administration have been geared to obtaining these materials through trade and that many of our large mining companies are contemplating foreign investments to produce these minerals which I maintain should be produced in the United States because of the safety which lies in a source of supply that cannot be disrupted or shut off.

Second, I wish to discuss this legislation from an economic standpoint. Regardless of economic theories, new wealth still finds its source in the soil. The income of the United States depends directly upon the production, processing, and distribution of this new wealth in the form of finished goods. Our supply of new wealth determines our standard of living and times price determines the income which will determine whether we have prosperity and national solvency.

We are still a young Nation and in the case of mineral resources we have merely scratched the surface of our landed area. Who knows how much we have in the way of strategic materials? Who knows the tonnage of ore that may be uncovered by the development of an outcropping of ore? No one, and it is only by exploration and development that this can be determined. For the Congress of the United States to provide legislation which will make possible such development should be considered as an investment in the future of the United States. Failure to pass this legislation will bring upon us the indictment of future generations that the Congress of the United States did not have the vision to legislate for the future welfare of the United States.

In my opinion we are in the same position that Congress found itself in the year 1852. At that time Congress was considering the building of railroads to open up the western part of the United States. At that time Daniel Webster, then a United States Senator spoke as follows during the debate:

What do we want with this vast, worthless area, this region of savages and wild beasts, of deserts of shifting sands and whirlwinds of dust, of cactus and prairie dogs? To what use could we ever hope to put these great deserts or those endless mountain ranges, impenetrable and covered to their very base with eternal snow? What can we ever hope to do with the western coast of 3,000 miles, rockbound, cheerless, uninviting, and not a harbor on it?

Mr. President, I will never vote one cent from the Public Treasury to place the Pacific Ocean one inch nearer to Boston than it is.

MR. AND MRS. LEROY HANN

The Clerk called the bill (H. R. 4456) for the relief of Mr. and Mrs. Leroy Hann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Leroy Hann the aggregate sum of \$10,000, in full settlement of all claims against the United States for the personal injury, the hospital and medical expenses, pain and suffering, loss of earnings, and property damage incurred by reason of the injuries and the property damage sustained by them as a result of being struck by an Army vehicle operated by Army personnel on Route 40, one-half mile north of Pennsville, N. J., on March 4, 1943, and said injuries and damage having been caused by the negligent operation of said Army vehicle so as to cause it to turn into the vehicle in which said Mr. and Mrs. Leroy Hann were riding: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 6, strike out "\$10,000" and insert "\$2,500."

Page 1, line 8, strike out "injury, the hospital and medical expenses, pain and suffering, loss of earnings, and property damage" and insert "injuries."

Page 2, line 2, strike out the date "4" and insert "3."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT A. ATLAS

The Clerk called the bill (H. R. 4601) for the relief of Robert A. Atlas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert A. Atlas, of Minneapolis, Minn., the sum of \$615. The payment of such sum shall be in full settlement of all claims of the said Robert A. Atlas against the United States for services rendered to the War Department during February and March 1946, when he served as civilian optometrist at Fort Snelling, Minn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIMITRI PETROU

The Clerk called the bill (H. R. 4881) for the relief of Dimitri Petrou.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the alien Dimitri Petrou, of New York, N. Y., as of the 18th of July 1945, the date on which he entered the United States temporarily as a visitor, if he is otherwise admissible under the provisions of the immigration laws.

Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota of Greece for the first year such quota is available.

With the following committee amendment:

On line 8 after the word "visitor", strike out the balance of line 8 and all of line 9.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANDREW FERDINAND DEWITT, JR.

The Clerk called the bill (H. R. 5145) for the relief of the legal guardian of Andrew Ferdinand DeWitt, Jr., a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Andrew Ferdinand DeWitt, Jr., of route 21, Alexandria, La., a minor, the sum of \$10,000, in full settlement of all claims against the United States on account of the death of his father, Andrew Ferdinand DeWitt, Sr., in an accident caused by a United States Army vehicle, near the city of Alexandria, La., in the parish of Rapides, State of Louisiana, on March 15, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 6, after the name "DeWitt", strike out "Junior" and insert "III."

Page 1, line 7, strike out "\$10,000" and insert "\$6,000."

Page 1, line 9, strike out "Senior" and insert "Junior."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the legal guardian of Andrew Ferdinand DeWitt III, a minor."

A motion to reconsider was laid on the table.

JOHN KEITH

The Clerk called the bill (H. R. 5339) for the relief of John Keith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Keith, Los Angeles, Calif., the sum of \$9,000. Such sum represents the loss sustained by Mr. Keith with respect to a contract entered into with the Federal Works Agency in 1944 for the construction of the Frontier Elementary School in San Diego, Calif. An error in transposing estimate figures to determine bid resulted in contracts drawn up for a sum lower than had been intended by the contractor. However, the correct sum of the bid was much lower than that submitted by any other contractor on this project.

With the following committee amendment:

At the end of bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. NEILL RAYMOND

The Clerk called the bill (H. R. 5423) for the relief of E. Neill Raymond.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Treasury is hereby authorized and directed to pay to E. Neill Raymond, examiner, Farmers Home Administration, Denver, Colo., the sum of \$130.78, which represents the cost of transporting his immediate family from Washington, District of Columbia, to Denver, Colo., on August 21, 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 4, after the word "pay", insert "out of any money in the Treasury not otherwise appropriated."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYING TITLE TO MINERAL RIGHTS IN LAND IN OKLAHOMA

The Clerk called the bill (H. R. 5201) to authorize the Secretary of the Army to convey by quitclaim deed certain mineral rights in certain lands situated in the State of Oklahoma to Alfred A. Drummond and Addie G. Drummond.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

DORIS E. SNYDER

The Clerk called the bill (S. 165) for the relief of Doris E. Snyder.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DEANE. Mr. Speaker, I ask unanimous consent that this bill, Calendar No. 664, and Calendar No. 665, and Calendar No. 666 be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

TRADE AGREEMENTS EXTENSION ACT OF 1948

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6556), an act to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the Senate amendment.

Mr. KNUTSON. Mr. Speaker, in view of the fact that the Senate amendment has already been read, I ask unanimous consent that it be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota to take from the Speaker's table the bill H. R. 6556 and agree to the Senate amendment?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MILLS asked and was granted permission to extend his remarks at this point in the RECORD.

Mr. MILLS. Mr. Speaker, I shall support the motion to concur in the Senate amendments to H. R. 6556, the bill to extend the Reciprocal Trade Agreements Act. When the bill was considered in the House, I made two principal objections:

First, that the requirement that the President obtain a report from the Tariff Commission as to the maximum permissible reduction to avoid injury to a domestic producer would involve such interminable delay as to make negotiation of any new trade agreements almost impossible with the limited 1-year extension. The Senate amendments have substantially answered my criticism of the House bill in this respect. A time limitation of 4 months is placed upon the preparation of a report by the Tariff Commission. If the Tariff Commission does not file its report on the articles proposed for negotiation in a trade agreement to the President within such

4 months' period, then the President is authorized to proceed to negotiate, just as under existing law, without regard for the recommendations of the Tariff Commission.

Moreover, the Tariff Commission, in conducting its hearings and investigation, would not be limited to consideration of the effect of proposed changes in tariff rates upon the welfare of individual domestic producers, but rather of the effect upon an entire domestic industry. Not only is this sound policy, but it would also expedite the work of the Tariff Commission in making its findings and report to the President.

My second objection to the House bill was the requirement that the President submit to Congress for review and possible disapproval any trade agreement which would modify any duty or other import restriction to an extent greater than that recommended to him by the Tariff Commission. I argued that this proposal would constitute a return to the old Republican logrolling tariff policy embodied in the Smoot-Hawley Tariff Act of 1930. The deletion by the Senate of this requirement is, in my opinion, an important recognition by the other body, in which I wholeheartedly concur, that the Congress is in no position to scientifically fix specific tariff rates upon the thousands of diverse articles coming into this country.

Under the Senate amendments the President would be required, within 30 days after a trade agreement exceeding the recommendations of the Tariff Commission has been entered into, to send to the Congress a copy of the agreement together with a message accurately identifying the articles with respect to which such recommendations are not complied with and stating his reasons for the action taken with respect to such article. In my opinion, this requirement is not unduly restrictive upon the President, and in fact may be a constructive contribution to the reciprocal trade agreements procedure.

Mr. Speaker, while I should have preferred a 3-year extension of the Trade Agreements Act, both because it would have permitted better planning by the President for negotiating additional trade agreements and would have provided additional assurance to foreign countries that the Hull reciprocal trade policy will not be abandoned, I am convinced that H. R. 6556, as amended by the Senate, is infinitely preferable to allowing the present act to expire.

It is for these reasons, therefore, that I am supporting the Senate amendments.

EXTENSION OF REMARKS

Mr. GRANT of Indiana asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. GRANT of Indiana asked and was granted permission to extend his remarks in the RECORD and include a newspaper article.

Mr. GRANT of Indiana asked and was granted permission to extend his remarks in the RECORD and include a commencement address delivered at the University of Notre Dame by Mr. Paul G. Hoffman.

PERMISSION TO ADDRESS THE HOUSE

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FOREIGN TRADE AGREEMENTS ACT

Mr. DOUGHTON. Mr. Speaker, I wish to say regarding the unanimous request of the gentleman from Minnesota [Mr. KNUTSON] with regard to his request to concur in the Senate amendments to the extension of the Foreign Trade Agreements Act, having had an opportunity to consider the matter, we, the minority, have no objection to the gentleman's request that the House concur in the Senate amendments. The bill as amended by the Senate is less objectionable to the minority Members than the House bill, and with the restrictions and limitations with which the conferees would have to contend in their deliberations we see no reason for the delay which would be necessitated by sending the bill to conference. We have no objection to his request.

EXTENSION OF REMARKS

Mr. JAVITS asked and was given permission to extend his remarks in the Appendix of the RECORD and include certain editorials.

Mr. WELCH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial published in the San Francisco Call-Bulletin.

Mr. CRAWFORD asked and was given permission to extend his remarks in the Appendix of the RECORD and include a comparison of prices.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in five separate instances and in each to include extraneous matter.

FLOATING OCEAN STATIONS

Mr. WEICHEL. Mr. Speaker, I call up the conference report of the bill (S. 2122) to authorize the Coast Guard to operate and maintain ocean stations and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

(For conference report and statement, see proceedings of the House of June 12, 1948.)

The conference report was agreed to.

A motion to reconsider was laid on the table.

MAINTENANCE AND OPERATION OF AIDS TO NAVIGATION BY COAST GUARD

Mr. WEICHEL. Mr. Speaker, I call up the conference report on the bill (S. 1853) to authorize the Coast Guard to establish, maintain, and operate aids to navigation, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

[PUBLIC LAW 792—80TH CONGRESS]

[CHAPTER 678—2D SESSION]

[H. R. 6556]

AN ACT

To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trade Agreements Extension Act of 1948".

SEC. 2 The period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1351), is hereby extended from June 12, 1948, until the close of June 30, 1949.

SEC. 3. (a) Before entering into negotiations concerning any proposed foreign trade agreement under section 350 of the Tariff Act of 1930, as amended, the President shall furnish the United States Tariff Commission (hereinafter in this Act referred to as the "Commission") with a list of all articles imported into the United States to be considered for possible modification of duties and other import restrictions, imposition of additional import restrictions, or continuance of existing customs or excise treatment. Upon receipt of such list the Commission shall make an investigation and report to the President the findings of the Commission with respect to each such article as to (1) the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of such section 350 without causing or threatening serious injury to the domestic industry producing like or similar articles; and (2) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or similar articles the minimum increases in duties or additional import restrictions required. Such report shall be made by the Commission to the President not later than 120 days after the receipt of such list by the Commission. No such foreign trade agreement shall be entered into until the Commission has made its report to the President or until the expiration of the 120-day period.

(b) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

(c) Section 4 of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (U. S. C., 1946 edition, title 19, sec. 1354), is hereby amended by striking out the matter following the semicolon and inserting in lieu thereof the following: "and before concluding such agreement the President shall request the Tariff Commission to make the investigation and report provided for by section 3 of the Trade Agreements Extension Act of 1948, and shall seek information and advice with respect to such agreement from the Departments of State, Agriculture, and Commerce, from the National

Military Establishment, and from such other sources as he may deem appropriate."

SEC. 4. The Commission shall furnish facts, statistics, and other information at its command to officers and employees of the United States preparing for or participating in the negotiation of any foreign trade agreement; but neither the Commission nor any member, officer, or employee of the Commission shall participate in any manner (except to report findings, as provided in section 3 of this Act and to furnish facts, statistics, and other information as required by this section) in the making of decisions with respect to the proposed terms of any foreign trade agreement or in the negotiation of any such agreement.

SEC. 5. (a) Within thirty days after any trade agreement under section 350 of the Tariff Act of 1930, as amended, has been entered into which, when effective, will (1) require or make appropriate any modification of duties or other import restrictions, the imposition of additional import restrictions, or the continuance of existing customs or excise treatment, which modification, imposition, or continuance will exceed the limit to which such modification, imposition, or continuance may be extended without causing or threatening serious injury to the domestic industry producing like or similar articles as found and reported by the Tariff Commission under section 3, or (2) fail to require or make appropriate the minimum increase in duty or additional import restrictions required to avoid such injury, the President shall transmit to Congress a copy of such agreement together with a message accurately identifying the article with respect to which such limits or minimum requirements are not complied with, and stating his reasons for the action taken with respect to such article. If either the Senate or the House of Representatives, or both, are not in session at the time of such transmission, such agreement and message shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

(b) Promptly after the President has transmitted such foreign trade agreement to Congress the Commission shall deposit with the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a copy of its report to the President with respect to such agreement.

Approved June 26, 1948.

